



**ready to go,
ALWAYS**

 **PRIMA
INDUSTRIE**
2021

**HALF-YEAR FINANCIAL REPORT
JUNE 30, 2021**

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ALWAYS



2021

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JUNE 30, 2021**

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chapter 1.

Parent Company Governance

CHAPTER 1. PARENT COMPANY GOVERNANCE

Board of Directors

EXECUTIVE CHAIRMAN	Gianfranco Carbonato ^(*)
DEPUTY EXECUTIVE CHAIRMAN	Domenico Peiretti ^(*)
MANAGING DIRECTOR	Ezio Giovanni Basso
INDEPENDENT DIRECTORS	Donatella Busso Francesca de Fraja Frangipane Paola Gatto Carlalberto Guglielminotti Giuliana Mattiazzo
OTHER DIRECTORS	Mario Mauri Michael R. Mansour Lisa Tan

Control and Risks Committee and Related Parties Committee

CHAIRMAN	Donatella Busso
MEMBERS	Francesca de Fraja Frangipane Paola Gatto

Remuneration Committee

CHAIRMAN	Francesca de Fraja Frangipane
MEMBERS	Mario Mauri Paola Gatto

Strategic Committee

EXECUTIVE CHAIRMAN	Domenico Peiretti
MEMBERS	Carlalberto Guglielminotti Giuliana Mattiazzo Michael R. Mansour Mario Mauri

Board of Statutory Auditors

CHAIRMAN	Franco Nada
AUDITORS	Maura Campra Roberto Petrignani
DEPUTY AUDITORS	Roberto Coda Gaetana Laselva

Audit Company

PricewaterhouseCoopers S.p.A.

Expiry of Mandates

The Board of Directors shall remain in office until the approval of 2022 Financial Statements.

The Board of Statutory Auditors shall remain in office until the approval of 2021 Financial Statements.

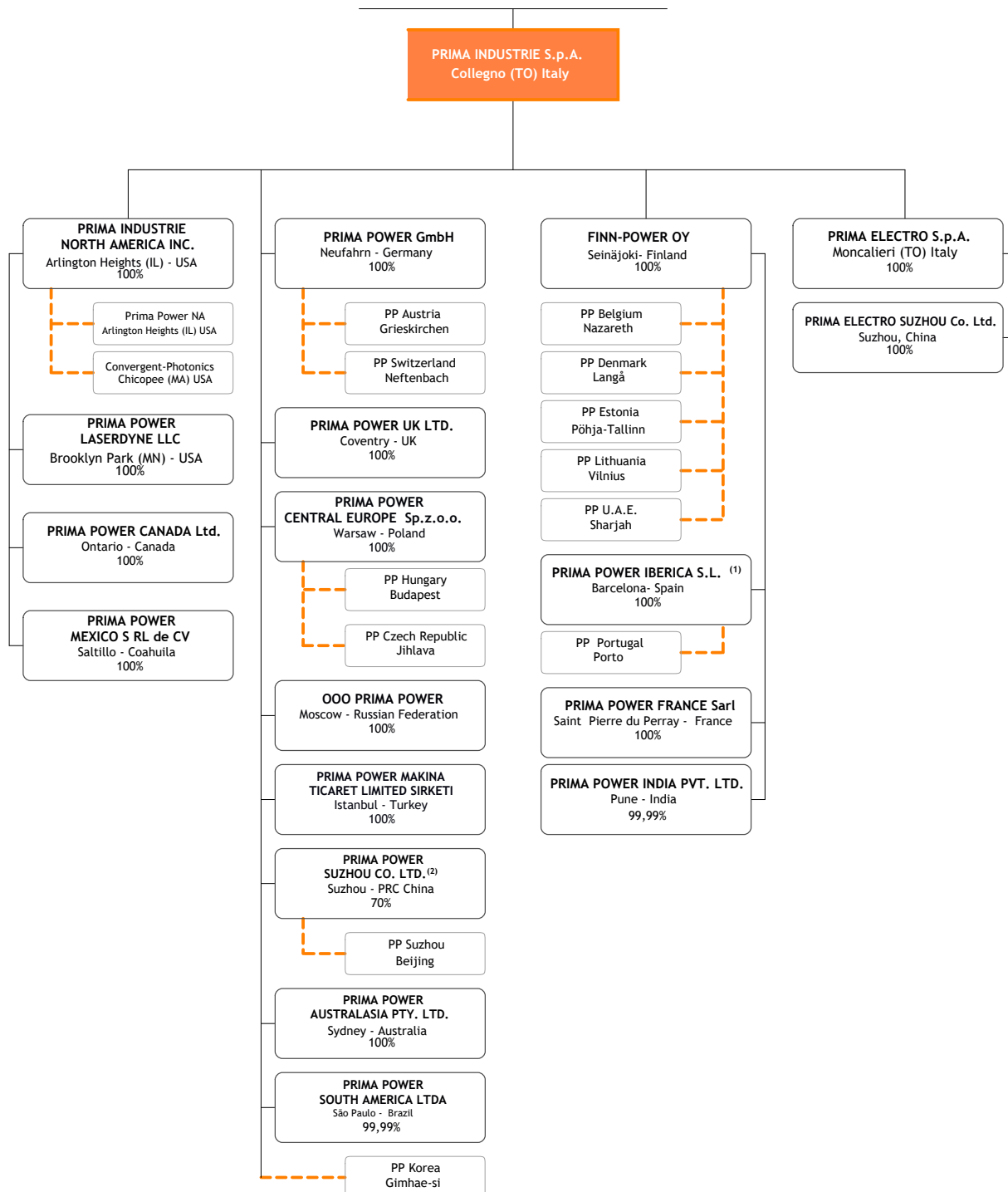
The Audit Company was appointed by the Stockholders' Meeting held on April 11, 2017 for the period 2017-2025.

() The Executive Chairman and the Deputy Executive Chairman were also assigned the position of Managing Director*

chapter 2.

Prima Industrie Group Structure

CHAPTER 2. PRIMA INDUSTRIE GROUP STRUCTURE



The statement on this page represents the corporate situation of PRIMA INDUSTRIE Group as at June 30, 2021. Group business units are identified with dashed lines.

(1) - FINN-POWER OY holds 78% of PRIMA POWER IBERICA SL (the remaining 22% is held by PRIMA INDUSTRIE SpA).

(2) - PRIMA INDUSTRIE SpA holds 70% of PRIMA POWER SUZHOU Co. Ltd. (the remaining 30% is held by third parties).

chapter 3.

Prima Industrie Group Profile

CHAPTER 3. PRIMA INDUSTRIE GROUP PROFILE

The PRIMA INDUSTRIE Group is a market leader in the development, manufacture and sale of laser systems for industrial applications and of machines to process sheet metal, besides in the fields of industrial electronics and laser sources.

The Parent Company PRIMA INDUSTRIE SpA, established in 1977 and listed in the Italian Stock Exchange since October 1999 (currently MTA - STAR segment), designs and manufactures high-power laser systems for cutting, welding and surface treatment of three-dimensional (3D) and flat (2D) components, panel bending and bending machines as well as turnkey solutions for the main Additive Manufacturing technologies: Powder Bed Fusion - PBF and Direct Metal Deposition - DMD.

The PRIMA INDUSTRIE Group has been present on the market for over 40 years and boasts over 13,000 machines installed in more than 70 Countries and its business is structured in the following three divisions:

- PRIMA POWER for laser machines and sheet metal processing;
- PRIMA ELECTRO for industrial electronics and laser technologies;
- PRIMA ADDITIVE for additive manufacturing systems for metal applications.

The **PRIMA POWER** division includes the design, manufacture and sale of:

- cutting, welding and punching machines for three-dimensional (3D) and two-dimensional (2D) metallic components;
- sheet metal processing machines that use mechanical tools (punchers, integrated punching and shearing systems, integrated punching and laser cutting systems, panel bending, bending machines and automated systems).

This division owns manufacturing plants in Italy (PRIMA INDUSTRIE SpA), in Finland (FINN-POWER OY), in the United States (PRIMA POWER LASERDYNE Llc), in China (PRIMA POWER SUZHOU Co. Ltd.) and has direct sales and customer service facilities in France, Switzerland, Spain, Germany, the United Kingdom, Belgium, Poland, Czech Republic, Lithuania, Hungary, Russia, Turkey, USA, Canada, Mexico, Brazil, China, India, South Korea, Australia and the United Arab Emirates.

The **PRIMA ELECTRO** Division includes the development, construction and sale of electronic power and control components, and hi-power laser sources for industrial applications, intended for the machines of the Group and third customers. The division has manufacturing plants in Italy (PRIMA ELECTRO SpA) and in the United States (PRIMA INDUSTRIE NORTH AMERICA Inc. - CONVERGENT-PHOTONICS), as well as sales facility in China.

The **PRIMA ADDITIVE** Division is dedicated to the design, production and marketing of turnkey solutions for the main technologies in the Additive Manufacturing field: Powder Bed Fusion - PBF and Direct Metal Deposition - DMD. The financial and equity data of PRIMA ADDITIVE are currently negligible and do not meet the thresholds set out in IFRS 8 for disclosure purposes and therefore this division's information is, currently, aggregated to the data for PRIMA POWER Division.

Over 40 years after its establishment, the mission of the PRIMA INDUSTRIE Group continues to be that of systematically expanding its range of products and services and to continue to grow as a global supplier of laser systems and sheet metal processing systems for industrial applications, including industrial electronics, markets that demand top-range technology and where growth rates are quite good, though in the presence of a cyclical context.

This Half-Year Financial Report was approved by the Board of Directors on July 29, 2021.

chapter 4.

Introduction

CHAPTER 4. INTRODUCTION

This Half-Year Financial Report as at June 30, 2021 of PRIMA INDUSTRIE Group was prepared in accordance with the provisions of Article 154-ter, paragraphs 2, 3 and 4 of the Consolidated Law on Finance, as amended, as well as the Issuer Regulations issued by CONSOB; it has been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") endorsed by the European Union and by Italian legislation and regulations.

This report was approved by the Board of Directors on July 29, 2021 and is published in accordance with the provisions of Article 2.2.3 of Borsa Italiana SpA Regulations applicable to issuers listed in the STAR segment.

The consolidated half-year financial statements, included in the Half-year Financial Report, have been subject to a limited audit.

It should be noted that, to improve disclosure of its financial results, the Group has presented the income statement according to functional area, rather than by expenditure type. The cost presentation is based on cost destination and is considered more representative than expenditure type. The form chosen conforms to internal reporting and business management procedures and is in line with international practice within the sector in which the Group operates.

“Cost of goods sold” includes costs relating to the functional areas that participated directly or indirectly to the generation of revenues with the sale of goods and services. It includes all costs for materials, processing and overheads directly attributable to production.

Group Interim Management Report

chapter 5.

CHAPTER 5. GROUP INTERIM MANAGEMENT REPORT

GROUP RESULTS SUMMARY

Values in Euro thousand	June 30, 2021	June 30, 2020	Variations	%
ORDER INTAKE	228,825	140,787	88,038	62.5%
BACKLOG	169,715	125,978	43,737	34.7%
REVENUES	184,034	157,574	26,460	16.8%
EBITDA	11,844	10,063	1,781	17.7%
EBITDA %	6.4%	6.4%	0.0%	-
EBIT	2,123	(913)	3,036	-332.5%
EBIT %	1.2%	-0.6%	1.8%	-
NET RESULT	(543)	(3,148)	2,605	-82.8%
FCF	11,040	(15,477)	26,517	171.3%
NET FINANCIAL DEBT	(84,213)	(123,246)	39,033	31.7%
HEADCOUNT	1,753	1,766	(13)	-0.7%

(% calculated over the revenues, headcount expressed in units)

Values in Euro thousand	June 30, 2021	June 30, 2020	Variations	%
REVENUES AT COSTANT EXCHANGE RATES	190,090	157,574	32,516	20.6%
EBITDA Adj	13,943	12,194	1,749	14.3%
EBITDA Adj %	7.6%	7.7%	-0.1%	-
EBIT Adj	4,283	1,218	3,065	251.6%
EBIT Adj %	2.3%	0.8%	1.5%	-

(% calculated over the revenues)

(Performance indicators adjusted, as shown in Annex 2 of this document, correspond to the same indicators net of non-recurring items)

SIGNIFICANT EVENTS OF THE PERIOD

APPROVAL OF THE 2021-2023 INDUSTRIAL PLAN

On March 2, 2021 the Board of Directors of PRIMA INDUSTRIE SpA approved the Group's Industrial Plan for the three-year period 2021-2023. The plan assumes a significant recovery of the reference markets starting from mid-2021 and the beginning of a new multi-year positive cycle in the following years. In particular, strong growth is expected in the Chinese market and in the APAC area in general, with the AMERICAS and EMEA improving at a slower pace. In order to achieve the challenging objectives set out in the plan, PRIMA INDUSTRIE will adopt a new organisational model that, in addition to central staff functions, will include four Business Units with a strong technological and regional dimension, which will enable it to better focus its activities on the respective business areas. This entails a simplification of the structure and greater decentralisation of activities, which will be achieved through the development of local technical expertise and the introduction of digitalisation tools. The plan also envisages a strengthening of the Group's capital structure, thanks in part to the expected generation of cash, which will help finance the investment plan and make it possible to plan adequate remuneration for shareholders.

STOCK OPTION INCENTIVE PLAN

On April 20, 2021 the Board of Directors of PRIMA INDUSTRIE approved the 2021-2023 Stock Option incentive Plan based on the free-of-charge allocation, pursuant to Article 114-bis of the Consolidated Law on Finance and 2349 of the Italian Civil Code, of Company shares. The Plan provides for the right of

the beneficiaries, identified among the Group's directors and first level managers, to receive, free of charge, a maximum number of PRIMA INDUSTRIE shares that may actually be allocated in the years 2024 and 2025, to an extent related to the performance conditions achieved according to the pre-established criteria and parameters and the other conditions provided for in the Plan. These objectives include targets able to contribute to the company's strategy, to the pursuit of long-term interests and to their alignment with those of the shareholders; ESG objectives are also envisaged, i.e. linked to the sustainable growth of the company with particular reference to diversity and customer satisfaction, as well as the retention of beneficiaries.

PURCHASE OF TREASURY SHARES

On April 20, 2021, the Board of Directors of PRIMA INDUSTRIE authorised, subject to revocation of the resolution passed on May 12, 2020, the purchase and disposal, on one or more occasions, for a period of eighteen months, of PRIMA INDUSTRIE SpA ordinary shares to the maximum extent of 150,000 shares, or for a maximum purchase price of Euro 5 million, authorising the disposal of treasury shares, on one or more occasions, without time limits, in the manner deemed most appropriate in the interests of the Company and in compliance applicable legislation.

Purchases will be carried out according to the procedures provided for in Article 144-bis, paragraph 1, letter b) and paragraph 1-bis of the Issuer Regulations or to other procedures in compliance with the provisions applicable at the time of the transaction.

The purpose of the authorisation includes the possibility of assigning the shares to service stock option incentive plans for directors, employees and collaborators of the company or Group companies, or their use to service any free-of-charge assignments to shareholders, or to service extraordinary transactions or as an instrument to support market liquidity.

ECONOMIC PERFORMANCE

Group turnover as at June 30, 2021 was equal to Euro 184,034 thousand, an increase of 16.8% compared to 2020.

Here below are the main economic indicators of the Group, compared with the corresponding period of the previous year.

Values in Euro thousand

June 30, 2021	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	170,334	36,003	21.1%	11,497	6.7%	3,502	2.1%	463
PRIMA ELECTRO	24,784	2,970	12.0%	522	2.1%	(1,204)	-4.9%	(884)
ELIMINATIONS	(11,084)	(224)	-2.0%	(175)	-1.6%	(175)	-1.6%	(122)
GROUP	184,034	38,749	21.1%	11,844	6.4%	2,123	1.2%	(543)

(% calculated over the revenues)

Values in Euro thousand

June 30, 2020	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	147,369	30,942	21.0%	10,098	6.9%	1,551	1.1%	567
PRIMA ELECTRO	20,804	2,121	10.2%	11	0.1%	(2,418)	-11.6%	(1,582)
ELIMINATIONS	(10,599)	(28)	-0.3%	(46)	-0.4%	(46)	-0.4%	(2,133)
GROUP	157,574	33,035	21.0%	10,063	6.4%	(913)	-0.6%	(3,148)

(% calculated over the revenues)

Values in Euro thousand

VARIATIONS	Revenues	Gross Margin	Gross Margin %	EBITDA	EBITDA %	EBIT	EBIT %	NET RESULT
PRIMA POWER	22,965	5,061	22.0%	1,399	6.1%	1,951	8.5%	(104)
PRIMA ELECTRO	3,980	849	21.3%	511	12.8%	1,214	30.5%	698
ELIMINATIONS	(485)	(196)	-40.4%	(129)	-26.6%	(129)	-26.6%	2,011
GROUP	26,460	5,714	21.6%	1,781	6.7%	3,036	11.5%	2,605

(% calculated over the revenues)

The consolidated revenues are shown here below, split down on a geographic basis, as at June 30, 2021 compared with the corresponding period of the previous year:

REVENUES	June 30, 2021		June 30, 2020	
	Euro thousand	%	Euro thousand	%
SEMEA (*)	62,042	33.7	46,062	29.2
NORTH EUROPE	40,575	22.0	43,754	27.8
AMERICAS	49,457	26.9	49,577	31.5
APAC	31,960	17.4	18,181	11.5
TOTAL	184,034	100.0	157,574	100.0

(*) South Europe, Middle East & Africa

The above table shows that the Group turnover as at June 30, 2021 (compared with the corresponding period of the previous year) had a significant recovery in the SEMEA area (+34.7%) and the APAC area (+75.8%). The trend was stable in the AMERICAS (-0.2%), the area that was least affected by the COVID-19 crisis in 2020, while the NORTH EUROPE area, which had not yet been significantly affected by the pandemic in the first part of last year, recorded a drop (-7.3%).

The main destination countries in the SEMEA area were Italy (21.1% of consolidated revenues), Poland and Eastern Europe (4.3% of consolidated revenues) and Spain and Portugal (3.8% of consolidated revenues).

The main countries of destination in the NORTH EUROPE area were Finland and the Baltic countries (6.4% of consolidated revenues), the DACH countries (5.7% of consolidated revenues), Russia (4.1% of consolidated revenues) and Benelux (4.1% of consolidated revenues).

The share of revenues realized in the AMERICAS went from Euro 49,577 thousand to Euro 49,457 thousand, of which Euro 38,743 thousand were generated by the United States. At constant exchange rates, turnover in the region would have grown by 8.2%.

In the APAC region, revenues increased by 75.8% compared to 2020, from Euro 18,181 thousand to Euro 31,960 thousand. The increase is attributable to revenues in China, which grew from Euro 10,366 thousand (as at June 30, 2020) to Euro 18,855 thousand (as at June 30, 2021) and in India, where revenues grew from Euro 871 thousand to Euro 2,753 thousand.

Below is a breakdown of revenues by segment gross of inter-sector transactions:

REVENUES	June 30, 2021		June 30, 2020	
	<i>Euro thousand</i>	%	<i>Euro thousand</i>	%
PRIMA POWER	170,334	92.6	147,369	93.5
PRIMA ELECTRO	24,784	13.5	20,804	13.2
Inter-sector revenues	(11,084)	(6.1)	(10,599)	(6.7)
TOTAL	184,034	100.0	157,574	100.0

The **cost of goods sold** as at June 30, 2021 amounted to Euro 145,285 thousand, an increase of Euro 20,746 thousand compared to June 30, 2020 (Euro 124,539 thousand).

The Group **Gross Margin** as at June 30, 2021 amounted to Euro 38,749 thousand, an increase of Euro 5,714 thousand compared to Euro 33,035 thousand in 2020; the margin as a percentage of revenues was substantially stable compared to June 30, 2020 (21.0%).

The **research and development** activity carried out by the Group during the first half of 2021 was equal overall to Euro 10,121 thousand (of which Euro 7,723 thousand in the PRIMA POWER sector and Euro 2,398 thousand in the PRIMA ELECTRO sector), which comes to 5.5% of turnover.

The capitalised share was equal to Euro 1,302 thousand (of which Euro 550 thousand in the PRIMA POWER sector and Euro 752 thousand in the PRIMA ELECTRO sector), down compared to Euro 2,478 thousand as at June 30, 2020.

Costs sustained in research and development activities for new products proved the Group main purposes in investing for the future and improving products always in the competitiveness on the international markets. For all the capitalised development activities, the technical feasibility has been verified as well as the generation of probable future economic benefits.

Net research and development costs amounted to Euro 11,934 thousand, an increase of Euro 1,444 thousand compared to Euro 10,490 thousand as at June 30, 2020. This item includes non-capitalizable research and development costs, Tech Centre costs and the associated overheads and is disclosed net of grants (both national and European) entered on an accrual basis.

Sales and marketing expenses, which include business structure costs such as personnel, trade fairs and events, the demo center, promotional and advertising activities and related overheads, amounted to Euro 12,539 thousand and increased by Euro 1,088 thousand compared to Euro 11,451 thousand as at June 30, 2020.

General and administrative expenses, which includes costs related to Group or Divisional management structures, Finance costs, HR, IT and overheads, came to Euro 12,153 thousand, up compared to Euro 12,007 thousand as at June 30, 2020.

The Group **EBITDA** as at June 30, 2021 stood at Euro 11,844 thousand, equal to 6.4% of revenues against Euro 10,063 thousand, equal to 6.4% of revenues as at June 30, 2020.

EBITDA was negatively affected by non-recurring costs of Euro 2,099 thousand (as at June 30, 2020 they were equal to Euro 2,131 thousand); therefore, **adjusted EBITDA⁽¹⁾** amounted to Euro 13,943 thousand (7.6% of revenues). In particular, in the second quarter of the year **adjusted EBITDA⁽¹⁾** amounted to Euro 8,281 thousand (equal to 8.1% on the quarterly turnover).

The Group **EBIT** as at June 30, 2021 amounted to Euro 2,123 thousand, equal to 1.2% of revenues against the negative Euro 913 thousand equal to -0.6% of previous year's revenues.

Moreover, this result is affected by:

- amortisation of intangible fixed assets totalling Euro 4,121 thousand (relating to development costs of Euro 2,811 thousand and to the trademark recognised in connection with the business combination of the FINN-POWER Group, amounting to Euro 954 thousand) and write-downs of Euro 61 thousand.
- the depreciation of property, plant and equipment for Euro 5,540 thousand.

EBIT at June 30, 2021 is penalized by non-recurring costs equal to Euro 2,160 thousand; consequently, **adjusted EBIT⁽¹⁾** was positive at Euro 4,283 thousand (2.3% of revenues). In particular, in the second quarter of the year **adjusted EBIT⁽¹⁾** amounted to Euro 3,453 thousand (equal to 3.4% on the quarterly turnover).

The Group **EBT** at June 30, 2021 is positive for Euro 71 thousand against the negative Euro 3,705 thousand at June 30, 2020.

The Group EBT was impacted by net financial expenses (including gains and losses on exchange rates) for Euro 1,992 thousand (as at June 30, 2020 they were equal to Euro 2,747 thousand).

FINANCIAL RESULTS (€/000)	June 30, 2021	June 30, 2020
Bond expenses	(455)	(456)
Loans 2018 expenses	(507)	(649)
Derivatives expenses (CRS)	(234)	73
Derivatives expenses (IRS)	(162)	(118)
Lease expenses	(623)	(681)
Other financial expenses	(602)	(517)
Net financial expenses	(2,583)	(2,348)
Net exchange differences	591	(399)
TOTAL	(1,992)	(2,747)

The net result of investments accounted for using the equity method presented a loss of Euro 60 thousand and refers to the share of the result for the period of the associate 3D NT.

The Group **NET RESULT** as at June 30, 2021 is negative for Euro 543 thousand against the negative Euro 3,148 thousand as at June 30, 2020; while the net result attributable to the parent company was a loss of Euro 629 thousand. In particular, the net result of the second quarter was positive by Euro 1,005 thousand.

(1) Note that, as illustrated in Annex 2 to this report, the **adjusted** performance indicators are the same indicators net of non-recurring items only. For more information about the non-recurring items, see the section in the Explanatory Notes to the Financial Report.

ASSETS, LIABILITIES AND FINANCIAL POSITION

The reclassified balance sheet of PRIMA INDUSTRIE Group is shown below.

<i>Values expressed in Euro thousand</i>	June 30, 2021	December 31, 2020	Variations
Tangible and intangible fixed assets	84,782	87,367	(2,585)
Goodwill	97,802	97,751	51
Equity investments and other non-current assets	6,837	6,620	217
Deferred tax assets	18,377	17,656	721
NON-CURRENT ASSETS	207,798	209,394	(1,596)
Inventories	136,213	118,689	17,524
Trade receivables	83,100	77,624	5,476
Trade payables	(91,189)	(69,390)	(21,799)
Advances	(45,256)	(40,019)	(5,237)
OPERATING WORKING CAPITAL	82,868	86,904	(4,036)
Other current assets and liabilities	(13,520)	(10,512)	(3,008)
Current tax assets and liabilities	(1,989)	(691)	(1,298)
Provisions for risks and employee benefits	(28,047)	(26,853)	(1,194)
Deferred tax liabilities	(4,484)	(4,759)	275
Non-current assets held for sale	5,041	5,255	(214)
NET INVESTED CAPITAL	247,667	258,738	(11,071)
NET INDEBTEDNESS	84,213	96,274	(12,061)
SHAREHOLDER'S EQUITY	163,454	162,464	990
<i>Stockholders' equity of the Group</i>	160,394	159,620	774
<i>Minority interest</i>	3,060	2,844	216
LOAN SOURCES	247,667	258,738	(11,071)

Tangible and intangible fixed assets (other than Goodwill) decreased by Euro 2,585 thousand from the previous year. Changes in 2021 relate to:

- net increases of Euro 6,522 thousand (including Euro 1,302 thousand for development costs);
- amortisation for Euro 9,661 thousand;
- write-down of an intangible asset of PRIMA POWER FRANCE for Euro 61 thousand;
- positive reclassifications from other balance sheet items amounting to Euro 27 thousand;
- positive exchange rate effect of Euro 588 thousand.

The change for the year in Goodwill is attributable to currency adjustments only.

Operating working capital decreased by Euro 4,036 thousand compared to the previous year.

As at June 30, 2021, the Group's Net Financial Indebtedness⁽²⁾ was Euro 84,213 thousand, an improvement over the Euro 123,246 thousand as at June 30, 2020 and Euro 96,274 thousand at December 31, 2020.

⁽²⁾ Reconciliation between Group Net Financial Indebtedness (used as a performance indicator) and the Financial Indebtedness required by ESMA Document 32-382-1138 of March 4, 2021 is provided in the Explanatory Notes.

In addition to the cash amounting to approximately Euro 58 million, the Group has also available unused credit lines for around Euro 54 million as at June 30, 2021.

Below is a breakdown of Group net financial indebtedness.

<i>Values expressed in Euro thousand</i>	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
NON CURRENT FINANCIAL ASSETS	(4,233)	(4,233)	(4,233)
CASH & CASH EQUIVALENTS	(58,023)	(62,999)	(42,014)
CURRENT FINANCIAL ASSETS	(407)	(423)	(568)
CURRENT FINANCIAL LIABILITIES	45,976	52,861	51,189
NON CURRENT FINANCIAL LIABILITIES	65,590	75,336	78,671
NET FINANCIAL DEBT (before leasing)	48,903	60,542	83,045
LEASING LIABILITIES	35,310	35,732	40,201
NET FINANCIAL DEBT	84,213	96,274	123,246

Net Equity attributable to the shareholders of the parent company increased by Euro 774 thousand compared to the previous year. This increase was due to the positive effects of the translation reserve (Euro 2,093 thousand) and the reserve for fair value adjustment of derivatives (Euro 129 thousand), which were offset by the negative effects of the purchase of treasury shares for Euro 819 thousand and the result for the period of Euro 629 thousand. Shareholders' equity attributable to minority interests increased by Euro 216 thousand due to the overall result for the period attributable to minority shareholders.

Below is the Cash Flow of the PRIMA INDUSTRIE Group as at June 30, 2021, compared with the previous year.

<i>Values in Euro thousand</i>	Jun 30, 2021	Jun 30, 2020	Variations
Net Financial Indebtedness Opening	(96,274)	(107,343)	11,069
Cash from operating activities before TWC	13,312	10,074	3,238
Change in Trade Working Capital	4,036	(15,426)	19,462
Cash from operating activities	17,348	(5,352)	22,700
Investments in development costs	(1,302)	(2,728)	1,426
Other investments	(5,006)	(7,397)	2,391
Cash from investment activities	(6,308)	(10,125)	3,817
FREE CASH FLOW (FCF)	11,040	(15,477)	26,517
Treasury stock	(819)	-	(819)
Net financial result of investments	-	5	(5)
Net result of investments accounted for using the equity method	(60)	(50)	(10)
Cash from financing activities	(879)	(45)	(834)
Net exchange differences	1,900	(381)	2,281
CASH FLOW - TOTAL	12,061	(15,903)	27,964
Net Financial Indebtedness Closing	(84,213)	(123,246)	39,033

BUSINESS PERFORMANCE

During the first half of 2021, the Group's acquisition of orders (including after-sales service) amounted to Euro 228.8 million, an increase of 62.5% compared to the Euro 140.8 million as at June 30, 2020 and 20.5% compared to June 30, 2019. In particular, orders for machines alone grew by 99%, i.e. at a higher rate than reported by UCIMU (the machine tool manufacturers' association) on both the Italian and foreign markets. The acquisition of orders of the PRIMA POWER sector amounted to Euro 214.4 million, while the PRIMA ELECTRO segment, considering the ones from customers outside the Group, amounted to Euro 14.4 million.

The consolidated order backlog (not including the after-sale service) as at June 30, 2021 amounted to Euro 169.7 million, up from Euro 126.0 million as at June 30, 2020. The backlog includes Euro 159.8 million relating to the PRIMA POWER sector and Euro 9.9 million relating to the PRIMA ELECTRO sector.

PERSONNEL

As at June 30, 2021, the Group had 1,753 employees, of which 1,519 in the PRIMA POWER Division and 234 in the PRIMA ELECTRO Division, up overall by 18 compared to December 31, 2020.

Values expressed in units	PRIMA POWER			PRIMA ELECTRO			PRIMA GROUP		
	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020	Jun 30, 2021	Dec 31, 2020	Jun 30, 2020
Production & Installation	502	504	513	132	132	132	634	636	645
Service & Spare Parts	511	502	511	-	-	-	511	502	511
R&D	206	202	205	63	63	62	269	265	267
Sales & Marketing	175	171	178	17	17	17	192	188	195
General & Administrative	125	123	124	22	21	24	147	144	148
Total	1,519	1,502	1,531	234	233	235	1,753	1,735	1,766

RELATED-PARTY TRANSACTIONS

During the reporting period no significant related-party transactions were concluded in accordance with Article 5, paragraph 8 of the Regulations containing provisions on related parties No. 17221, issued by CONSOB on March 12, 2010. For further details of the operations carried out by the Group with related parties, refer to -Information on related parties on Explanatory Notes.

RISK FACTORS

The main risks to which the PRIMA INDUSTRIE Group is exposed in the following months of the current financial year are unchanged compared to those described in the paragraph "Risk Management of the PRIMA INDUSTRIE Group" of the 2020 Annual Report.

STOCK TREND AND TREASURY STOCK

During the first half of 2021, PRIMA INDUSTRIE shares went from a unit value of Euro 13.80 at January 4, 2021 to Euro 22.05 per share at June 30, 2021.

The share price appreciated considerably from February onwards as the international situation regarding the COVID-19 pandemic in main countries improved.

On January 25, 2021, the share price reached its lowest value of the year, equal to Euro 13.72 per share, compared to a maximum value of Euro 24.25 reached on June 2, 2021.

After the end of the first half of the year, the share price remained between Euro 20 and Euro 22 per share on average.

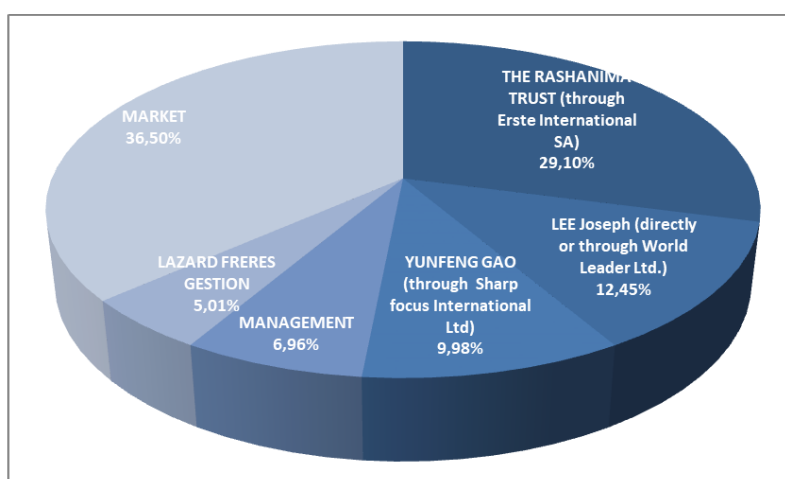


SHAREHOLDERS

At June 30, 2021 the share capital of PRIMA INDUSTRIE SpA amounted to Euro 26,208,185 divided into 10,483,274 ordinary shares at the nominal value of Euro 2.50 each. No classes of shares or bonds have been issued other than ordinary shares.

As at June 30, 2021, the Company held 138,000 treasury shares (equal to 1.32% of the share capital). At the date of this Report, the Company held 150,000 treasury shares (equal to 1.43% of the share capital).

The most up-to-date share structure is as follows:



Pursuant to the combined provisions of Article 1, paragraph 1, sub-paragraph w-quater 1) of Legislative Decree No. 58/1998 and Article 117, paragraph 1 of the Issuers CONSOB Regulation 11971/1999, significant investments are the investment of those who participate in the Issuer's share capital with a share of over 5%, as the Issuer is defined as SME.

OUTLOOK OF OPERATIONS

The economic and financial indicators showed a significant recovery compared to the previous year, thanks to the good performance of all the Group's reference markets, with the exception of the aerospace market, whose recovery will take longer. Considering the high level of orders taken in the first half of the year and the significant order book as at June 30, 2021, the Group confirms its expectations for an increase in revenues and profitability in the second half of the year.

EVENTS OCCURRING AFTER THE REFERENCE DATE OF THE FINANCIAL STATEMENT

No significant events occurred after the closing date of the interim financial statements and up to the date of approval of this Half-Year Financial Report.

ATYPICAL AND UNUSUAL TRANSACTIONS

Pursuant to CONSOB Bulletin of July 28, 2006 No. DEM/6064296, we wish to specify that in the examined period, the Group has not engaged in transactions defined as atypical or unusual in the Bulletin.

MANAGEMENT AND COORDINATION ACTIVITIES

Prima Industrie SpA is not subject to management and coordination by other companies or entities and decides which general or operative course of action to take in full independence.

OPT-OUT REGIME

The Board of Directors of PRIMA INDUSTRIE SpA resolved on November 12, 2012, in accordance with CONSOB Resolution No. 18079 of January 20, 2012, to subscribe to the opt-out regimen referred to in Article 70, paragraph 8 and Article 71, paragraph 1-bis of the Regulation, therefore choosing to avail itself of the right to waiver the obligation of publishing documents describing its mergers, demergers, share capital increases by contributions in kind, purchases and transfers.

Consolidated
Financial Statements of
Prima Industrie Group
at June 30, 2021

Accounting Tables

chapter 6.

CHAPTER 6. CONSOLIDATED FINANCIAL STATEMENTS OF PRIMA INDUSTRIE GROUP AS AT JUNE 30, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Values in thousand euro	Notes	June 30, 2021	December 31, 2020
Property, plant and equipment	1	64,124	64,281
Intangible assets	2	118,460	120,837
Investments accounted for using the equity method	3	334	394
Other investments	4	6,503	6,226
Non current financial assets	5	4,233	4,233
Deferred tax assets	6	18,377	17,656
NON CURRENT ASSETS		212,031	213,627
Inventories	7	136,213	118,689
Trade receivables	8	83,100	77,624
Other receivables	9	8,843	8,732
Current tax receivables	10	5,705	5,013
Derivatives	11	70	365
Financial assets	11	337	58
Cash and cash equivalents	11	58,023	62,999
CURRENT ASSETS		292,291	273,480
Assets held for sale	12	5,041	5,255
TOTAL ASSETS		509,363	492,362
Capital stock	13	26,208	26,208
Legal reserve	13	5,242	5,213
Other reserves	13	68,082	66,461
Currency translation reserve	13	868	(1,225)
Retained earnings	13	60,623	70,164
Net result	13	(629)	(7,201)
Stockholders' equity of the Group		160,394	159,620
Minority interest		3,060	2,844
STOCKHOLDERS' EQUITY		163,454	162,464
Interest-bearing loans and borrowings	11	94,812	105,318
Employee benefit liabilities	14	7,095	7,104
Deferred tax liabilities	15	4,484	4,759
Provisions	16	235	238
Derivatives	11	245	419
NON CURRENT LIABILITIES		106,871	117,838
Trade payables	17	91,189	69,390
Advance payments	17	45,256	40,019
Other payables	17	22,363	19,244
Interest-bearing loans and borrowings	11	51,806	58,192
Current tax payables	18	7,694	5,704
Provisions	16	20,717	19,511
Derivatives	11	13	-
CURRENT LIABILITIES		239,038	212,060
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		509,363	492,362

CONSOLIDATED INCOME STATEMENT

<i>Values in euro thousand</i>	Notes	June 30, 2021	June 30, 2020 ^(*)
Net revenues	19	184,034	157,574
Cost of goods sold	20	(145,285)	(124,539)
GROSS MARGIN		38,749	33,035
Research and Development costs	21	(11,934)	(10,490)
Sales and marketing expenses	22	(12,539)	(11,451)
General and administrative expenses	23	(12,153)	(12,007)
OPERATING PROFIT (EBIT)		2,123	(913)
<i>of which: non recurring items</i>		(2,160)	(2,131)
Financial income	24	4,420	2,073
Financial expenses	24	(7,003)	(4,421)
Net exchange differences	24	591	(399)
Net result of investments accounted for using the equity method	25	(60)	(50)
Net result of other investments	-	-	5
RESULT BEFORE TAXES (EBT)		71	(3,705)
<i>of which: non recurring items</i>		(2,160)	(2,126)
Taxes	26	(614)	557
NET RESULT		(543)	(3,148)
- Attributable to Group shareholders		(629)	(2,827)
- Attributable to minority shareholders		86	(321)
RESULT PER SHARE - BASIC (in euro)	27	(0.06)	(0.30)
RESULT PER SHARE - DILUTED (in euro)	27	(0.06)	(0.30)

(*) For a better comprehension, the 2020 figures have been re-exposed.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Values in euro thousand</i>		June 30, 2021	June 30, 2020
NET RESULT (A)		(543)	(3,148)
Gains/ (Losses) on actuarial defined benefit plans	12	-	-
Tax effect	12	-	-
Total other comprehensive gains/(losses) not to be classified in the Income Statement, net of tax effects (B)		-	-
Gains / (Losses) on cash flow hedges	12	170	95
Tax effect	12	(41)	(23)
Gains/(Losses) on exchange differences on translating foreign operations	12	2,223	(333)
Total other comprehensive gains/(losses) to be classified in the Income Statement, net of tax effects (C)		2,352	(261)
TOTAL COMPREHENSIVE INCOME (A) + (B) + (C)		1,809	(3,409)
- <i>Attributable to Group shareholders</i>		1,593	(3,054)
- <i>Attributable to minority shareholders</i>		216	(355)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

from January 1, 2020 to June 30, 2020

<i>Values in euro thousand</i>	Capital stock	Additional paid- in capital	Treasury stock	Legal reserve	Capital increase - expenses	Stock grant reserve	Change in the FV of hedging derivatives	Other reserves	Currency translation reserve	Retained earnings	Net result	Stockholders' equity of the Group	Minority interest	STOCKHOLDERS' EQUITY
Balance as at 01/01/2020	26,208	57,507	(1,966)	5,213	(1,286)	13	(439)	14,728	4,003	58,954	9,046	171,981	3,132	175,113
Allocation of prior year net result	-	-	-	-	-	-	-	2,164	-	6,882	(9,046)	-	-	-
Result of comprehensive Income	-	-	-	-	-	-	72	-	(299)	-	(2,827)	(3,054)	(355)	(3,409)
Balance as at 30/06/2020	26,208	57,507	(1,966)	5,213	(1,286)	13	(367)	16,892	3,704	65,836	(2,827)	168,927	2,777	171,704

from January 1, 2021 to June 30, 2021

<i>Values in euro thousand</i>	Capital stock	Additional paid- in capital	Treasury stock	Legal reserve	Capital increase - expenses	Stock grant reserve	Change in the FV of hedging derivatives	Other reserves	Currency translation reserve	Retained earnings	Net result	Stockholders' equity of the Group	Minority interest	STOCKHOLDERS' EQUITY
Balance as at 01/01/2021	26,208	57,507	(1,966)	5,213	(1,286)	-	(305)	12,511	(1,225)	70,164	(7,201)	159,620	2,844	162,464
Allocation of prior year net result	-	-	-	29	-	-	-	2,311	-	(9,541)	7,201	-	-	-
Treasury stock	-	-	(819)	-	-	-	-	-	-	-	-	(819)	-	(819)
Result of comprehensive Income	-	-	-	-	-	-	129	-	2,093	-	(629)	1,593	216	1,809
Balance as at 30/06/2021	26,208	57,507	(2,785)	5,242	(1,286)	-	(176)	14,822	868	60,623	(629)	160,394	3,060	163,454

CONSOLIDATED CASH FLOW STATEMENT

<i>Values in Euro thousand</i>	June 30, 2021	June 30, 2020 ^(*)
Net result	(543)	(3,148)
Adjustments (sub-total)	18,295	(2,594)
Depreciation, impairment & write-off	9,722	10,977
Net change in deferred tax assets and liabilities	(996)	(761)
Change in employee benefits	(9)	57
Change in inventories	(17,524)	(11,605)
Change in trade receivables	(5,476)	7,587
Change in trade payables and advances	27,036	(11,408)
Net change in other receivables/payables and other assets/liabilities	5,482	2,435
Net result of investments accounted for using the equity method	60	50
Gain on disposal of shares in other investments	-	(54)
Write-off/Write-up Other Investments	-	49
Change in Other investments	-	79
Cash Flows from (used in) operating activities	17,752	(5,742)
Cash flow from investments		
Acquisition of tangible fixed assets (**)	(2,357)	(3,169)
Acquisition of intangible fixed assets	(327)	(178)
Capitalization of development costs	(1,302)	(2,728)
Net disposal of fixed assets (***)	231	168
Cash Flows from (used in) investing activities	(3,755)	(5,907)
Cash flow from financing activities		
Change in other financial assets/liabilities and other minor items	(17)	(54)
Increases in loans and borrowings (including bank overdrafts and Credit lines)	2,532	15,224
Repayment of loans and borrowings (including bank overdrafts and Credit lines)	(19,005)	(13,650)
Repayments in financial lease liabilities	(3,095)	(2,809)
Other variations	(819)	-
Cash Flows from (used in) financing activities	(20,404)	(1,289)
Cash Flows from (used in) change of minority shareholders	-	-
Foreign exchange translation differences	1,431	(184)
Net change in cash and equivalents	(4,976)	(13,122)
Cash and equivalents beginning of period	62,999	55,136
Cash and equivalents end of period	58,023	42,014
Additional Information to the Consolidated Statement of Cash-Flow	June 30, 2021	June 30, 2020^(*)
<i>Values in euro thousand</i>		
Taxes paid	251	454
Interests paid	1,384	1,336

(*) For a better comprehension, the 2020 figures have been re-exposed

(**) Not included leases

(***) Included assets held for sale

CONSOLIDATED STATEMENT OF FINANCIAL POSITION PURSUANT TO CONSOB RESOLUTION 15519 OF JULY 27, 2006

Values in thousand euro	Notes	June 30, 2021	<i>of which related parties</i>	December 31, 2020	<i>of which related parties</i>
Property, plant and equipment	1	64,124	-	64,281	-
Intangible assets	2	118,460	-	120,837	-
Investments accounted for using the equity method	3	334	334	394	394
Other investments	4	6,503	-	6,226	-
Non current financial assets	5	4,233	-	4,233	-
Deferred tax assets	6	18,377	-	17,656	-
NON CURRENT ASSETS		212,031		213,627	
Inventories	7	136,213	-	118,689	-
Trade receivables	8	83,100	2,264	77,624	2,129
Other receivables	9	8,843	-	8,732	-
Current tax receivables	10	5,705	-	5,013	-
Derivatives	11	70	-	365	-
Financial assets	11	337	-	58	-
Cash and cash equivalents	11	58,023	-	62,999	-
CURRENT ASSETS		292,291		273,480	
Assets held for sale	12	5,041	-	5,255	-
TOTAL ASSETS		509,363		492,362	
Capital stock	13	26,208	-	26,208	-
Legal reserve	13	5,242	-	5,213	-
Other reserves	13	68,082	-	66,461	-
Currency translation reserve	13	868	-	(1,225)	-
Retained earnings	13	60,623	-	70,164	-
Net result	13	(629)	-	(7,201)	-
Stockholders' equity of the Group		160,394	-	159,620	-
Minority interest		3,060	-	2,844	-
STOCKHOLDERS' EQUITY		163,454		162,464	
Interest-bearing loans and borrowings	11	94,812	-	105,318	-
Employee benefit liabilities	14	7,095	-	7,104	-
Deferred tax liabilities	15	4,484	-	4,759	-
Provisions	16	235	-	238	-
Derivatives	11	245	-	419	-
NON CURRENT LIABILITIES		106,871		117,838	
Trade payables	17	91,189	805	69,390	1,914
Advance payments	17	45,256	38	40,019	-
Other payables	17	22,363	283	19,244	486
Interest-bearing loans and borrowings	11	51,806	-	58,192	-
Current tax payables	18	7,694	-	5,704	-
Provisions	16	20,717	-	19,511	-
Derivatives	11	13	-	-	-
CURRENT LIABILITIES		239,038		212,060	
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		509,363		492,362	

CONSOLIDATED INCOME STATEMENT PURSUANT TO CONSOB RESOLUTION 15519 OF JULY 27, 2006

<i>Values in euro thousand</i>	Notes	June 30, 2021	<i>of which related parties</i>	June 30, 2020 ^(*)	<i>of which related parties</i>
Net revenues	19	184,034	3,019	157,574	600
Cost of goods sold	20	(145,285)	(840)	(124,539)	(82)
GROSS MARGIN		38,749	-	33,035	-
Research and Development costs	21	(11,934)	15	(10,490)	22
Sales and marketing expenses	22	(12,539)	-	(11,451)	(10)
General and administrative expenses	23	(12,153)	(672)	(12,007)	(660)
OPERATING PROFIT (EBIT)		2,123	-	(913)	-
<i>of which: non recurring items</i>		<i>(2,160)</i>		<i>(2,131)</i>	
Financial income	24	4,420	-	2,073	-
Financial expenses	24	(7,003)	-	(4,421)	-
Net exchange differences	24	591	-	(399)	-
Net result of investments accounted for using the equity method	25	(60)	(60)	(50)	(50)
Net result of other investments	-	-	-	5	-
RESULT BEFORE TAXES (EBT)		71		(3,705)	
<i>of which: non recurring items</i>		<i>(2,160)</i>		<i>(2,126)</i>	
Taxes	26	(614)	-	557	-
NET RESULT		(543)		(3,148)	
- Attributable to Group shareholders		(629)	-	(2,827)	-
- Attributable to minority shareholders		86	-	(321)	-
RESULT PER SHARE - BASIC (in euro)	27	(0.06)		(0.30)	
RESULT PER SHARE - DILUTED (in euro)	27	(0.06)		(0.30)	

(*) For a better comprehension, the 2020 figures have been re-exposed.

CONSOLIDATED CASH FLOW STATEMENT PURSUANT TO CONSOB RESOLUTION 15519 OF JULY 27, 2006

<i>Values in Euro thousand</i>	June 30, 2021	<i>of which related parties</i>	June 30, 2020 ^(*)	<i>of which related parties</i>
Net result	(543)		(3,148)	
Adjustments (sub-total)	18,295	-	(2,594)	-
Depreciation, impairment & write-off	9,722	-	10,977	-
Net change in deferred tax assets and liabilities	(996)	-	(761)	-
Change in employee benefits	(9)	-	57	-
Change in inventories	(17,524)	-	(11,605)	-
Change in trade receivables	(5,476)	(135)	7,587	1,463
Change in trade payables and advances	27,036	(1,071)	(11,408)	956
Net change in other receivables/payables and other assets/liabilities	5,482	(203)	2,435	(254)
Net result of investments accounted for using the equity method	60	60	50	50
Gain on disposal of shares in other investments	-	-	(54)	-
Write-off/Write-up Other Investments	-	-	49	-
Change in Other investments	-	-	79	-
Cash Flows from (used in) operating activities	17,752		(5,742)	
Cash flow from investments				
Acquisition of tangible fixed assets (**)	(2,357)	-	(3,169)	-
Acquisition of intangible fixed assets	(327)	-	(178)	-
Capitalization of development costs	(1,302)	-	(2,728)	-
Net disposal of fixed assets (***)	231	-	168	-
Cash Flows from (used in) investing activities	(3,755)		(5,907)	
Cash flow from financing activities				
Change in other financial assets/liabilities and other minor items	(17)	-	(54)	-
Increases in loans and borrowings (including bank overdrafts and Credit lines)	2,532	-	15,224	-
Repayment of loans and borrowings (including bank overdrafts and Credit lines)	(19,005)	-	(13,650)	-
Repayments in financial lease liabilities	(3,095)	-	(2,809)	-
Other variations	(819)	-	-	-
Cash Flows from (used in) financing activities	(20,404)		(1,289)	
Cash Flows from (used in) change of minority shareholders	-		-	
Foreign exchange translation differences	1,431		(184)	
Net change in cash and equivalents	(4,976)		(13,122)	
Cash and equivalents beginning of period	62,999		55,136	
Cash and equivalents end of period	58,023		42,014	

Additional Information to the Consolidated Statement of Cash-Flow

<i>Values in euro thousand</i>	June 30, 2021	June 30, 2020 ^(*)
Taxes paid	251	454
Interests paid	1,384	1,336

(*) For a better comprehension, the 2020 figures have been re-exposed

(**) Not included leases

(***) Included assets held for sale

Explanatory Notes
to the Consolidated
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chapter 7.

CHAPTER 7. EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2021

ACCOUNTING TABLES FORM AND CONTENT

The consolidated half-year financial statements of PRIMA INDUSTRIE Group as at June 30, 2021 were drawn up on the assumption that the company is a going concern and in compliance with the IFRS international accounting standards, as well as with the laws and regulations in force in Italy.

The consolidated half-year financial statements have been prepared in summary form in accordance with IAS 34 "Interim Financial Reporting", and therefore do not include all the information required by the annual financial statements and should be read in conjunction with the annual financial statements prepared for the year ending December 31, 2020, to which reference should be made for further details.

The consolidated half-year financial statements of the PRIMA INDUSTRIE Group are presented in euro, which is also the currency of the economies in which the Group mainly operates.

Foreign subsidiaries are included in the consolidated half-year financial statements as at June 30, 2021 in accordance with the principles described in the Note "Accounting policies" of the consolidated financial statements as at December 31, 2020, to which reference should be made.

The balance sheet figures as at December 31, 2020 and the income statement and cash flow statement figures as at June 30, 2020 as well as the changes in shareholders' equity for the first six months of 2020 have been presented for comparative purposes, as required by IAS 1.

The Group presents the income statement according to functional areas, otherwise referred to as "at cost of goods sold". This cost analysis is based on cost destination and is considered more representative than expenditure type. The form chosen conforms to internal reporting and business management procedures and is in line with international practice within the sector in which the Group operates.

The "cost of goods sold" includes costs relating to the functional areas that participated directly or indirectly to the generation of revenues with the sale of goods and services. It includes all costs for materials, processing and overheads directly attributable to production.

DRAFTING PRINCIPLES AND CRITERIA

Accounting criteria and principles of consolidation

The accounting criteria and consolidation principles adopted for preparation of the condensed consolidated financial statements as at June 30, 2021 are consistent with those used for the annual consolidated financial statements as at December 31, 2020, to which reference should be made without prejudice to the new principles/interpretations adopted by the Group as from January 1, 2021, as well as the adjustments required by the nature of the interim reports.

ACCOUNTING STANDARDS AND INTERPRETATIONS TRANSPOSED BY THE EUROPEAN UNION AND APPLICABLE FROM JANUARY 1, 2021

On January 13, 2021, the European Commission issued Regulation No. 2021/25 approving the document "Interest rate Benchmark Reform - Phase 2", applicable as from January 1, 2021, containing amendments to, inter alia, the following standards: "IFRS 9 - Financial Instruments", "IFRS 7 - Financial Instruments: Disclosures", "IFRS 16 - Leases". The amendments introduced provide for a specific accounting treatment that spreads over time the changes in value of financial instruments or leasing

contracts due to the replacement of the benchmark index used to determine interest rates, thus avoiding immediate repercussions on the result for the year and interruptions to hedging relationships following the replacement of the benchmark index used to determine interest rates.

The adoption of these amendments and interpretations did not affect the consolidated half-year financial statements as at June 30, 2021.

ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BY IASB AND NOT YET APPLICABLE

On May 14, 2020, the IASB published the following amendments, which are effective for annual reporting periods beginning on or after January 1, 2022.

- Amendments to *IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"*, aimed at providing clarifications on how to determine the onerousness of a contract. The amendment clarifies that in estimating whether a contract is onerous, it is necessary to consider all costs directly attributable to the contract, including incremental costs and all other costs that the enterprise cannot avoid as a result of entering into the contract.
- Amendments to *IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"*, aimed at defining that the revenues deriving from the sale of goods produced by an asset, before it is ready for its intended use, are entered in the income statement together with the relative production costs.
- Amendments to *IFRS 3 "Reference to the Conceptual Framework"*. The purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without making any changes to the provisions of the standard.
- Issue of the document "*Annual Improvements to IFRS Standards 2018- 2020 Cycle*", containing amendments, essentially of a technical and editorial nature, to the following international accounting standards: "*IFRS 1 - First-time Adoption of International Financial Reporting Standards*", "*IFRS 9 - Financial Instruments*", "*IAS 41 - Agriculture*", illustrative examples of "*IFRS 16 - Leases*".

These amendments have now been approved following their publication in the Official Journal of the European Union on July 2, 2021.

The Group will adopt these new principles, amendments and interpretations from their date of application.

The Group is currently analysing these standards and assessing whether their adoption will have a significant impact on the consolidated financial statements.

ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BY IASB AND NOT YET TRANSPOSED BY THE EUROPEAN UNION

At the date of these interim financial statements, the competent bodies of the European Union had not yet completed the endorsement process necessary for the adoption of the amendments and standards described below.

On January 23, 2020 the IASB issued the document "*Amendments to IAS 1 Presentation of Financial Statements: classification of liabilities as current or non-current*" to clarify the requirements for classifying liabilities as "current" or "non-current". More specifically, the amendments i) specify that the

conditions existing at the end of the reporting period are those that should be used to determine whether the right to defer settlement of a liability exists; ii) specify that management's expectations about events after the reporting date are not material; iii) clarify the situations that are considered to be the settlement of a liability. The amendments come into force on January 1, 2023.

On May 18, 2017, the IASB issued the standard 'IFRS 17 - Insurance Contracts' to replace the current 'IFRS 4 - Insurance Contracts'. The new standard, effective for annual reporting periods beginning on or after January 1, 2023, addresses the accounting treatment of insurance contracts issued and reinsurance contracts held.

On February 12, 2021, the IASB issued "Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies". The objective of the amendments is to develop guidance and examples to assist companies in applying a judgement of materiality in disclosing accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to disclosures about accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

On February 12, 2021, the IASB issued Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates". The amendments provide some clarification on the distinction between changes in accounting estimates and changes in accounting policies: the former are applied prospectively to future transactions and other future events, the latter are generally also applied retrospectively to past transactions and other past events. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

On March 31, 2021, the IASB issued the document 'Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021". The amendment increases by twelve months, from June 30, 2021 to June 30, 2022, the period of application of the practical expedient, introduced on May 28, 2020, for accounting for Covid-19 leases. The amendment is effective for annual reporting periods beginning on or after April 1, 2021.

On May 7, 2021, the IASB issued 'Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document addresses the practical application of the exemption provided by paragraphs 15 and 24 of IAS 12 to transactions that give rise to both an asset and a liability upon initial recognition and may result in temporary tax differences of the same amount. Under the proposed amendments, the exemption from initial recognition in IAS 12 would not apply to transactions that give rise to equal and offsetting amounts of taxable and deductible temporary differences when entered into. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

The Group will adopt these new principles, amendments and interpretations from their date of application.

The Group is currently analysing these standards and assessing whether their adoption will have a significant impact on the consolidated financial statements.

ONGOING CONCERN

The condensed consolidated financial statements as at June 30, 2021 were prepared on the basis of the going-concern principle, as it is reasonable to expect that PRIMA INDUSTRIE will continue its business in the foreseeable future.

USE OF ACCOUNTING ESTIMATES

The drawing up of an interim balance sheet requires the carrying out of estimates and assumptions which have effect on the values of revenues, costs, assets and liabilities of the balance sheet and on the information report relating to the potential assets and liabilities on the date of the interim balance sheet. If in the future, such estimates and assumptions which are based on the best evaluation by management, should differ through effective circumstances, they will be modified in an appropriate manner in the period in which the circumstance themselves vary. In particular, in the case of the condensed consolidated financial statements as at June 30, 2021, the income taxes for the period of the individual consolidated companies are determined on the basis of the best possible estimate in relation to the information available and a reasonable forecast of performance for the year up to the end of the tax period.

This Half-Year Financial Report was authorised for publication by the Board of Directors on July 29, 2021.

EXPLANATORY NOTES

The data shown in the explanatory note are expressed in Euro thousand.

SEGMENT REPORTING

In accordance with IFRS 8, and in line with the Group's management and control model, the Group's management has identified PRIMA POWER and PRIMA ELECTRO as the operating divisions that are subject to segment reports.

The PRIMA POWER Division includes the design, manufacture and sale of:

- laser machines to cut, weld and punch metallic components, three-dimensional (3D) and two-dimensional (2D), and
- sheet metal processing machines that use mechanical tools (punchers, integrated punching and shearing systems, integrated punching and laser cutting systems, panel bending, bending machines and automated systems).

The PRIMA ELECTRO division includes the development, construction and sale of electronic power and control components, and high-power laser sources for industrial applications, intended for the machines of the Group and third customers.

The PRIMA ADDITIVE Division is dedicated to the design, production and marketing of turnkey solutions for the main technologies in the Additive Manufacturing field: Powder Bed Fusion and Direct Metal Deposition, as well as the related application support and services.

The financial and equity data of PRIMA ADDITIVE are currently negligible and do not meet the thresholds set out in IFRS 8 for disclosure purposes and therefore this division's information is, currently, aggregated to the data for PRIMA POWER Division.

The following tables show the financial information directly attributable to the two divisions PRIMA POWER and PRIMA ELECTRO, as described above.

<i>Values in euro thousand</i>	PRIMA POWER		PRIMA ELECTRO		ELIMINATION		PRIMA INDUSTRIE GROUP	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Net revenues	170,334	147,369	24,784	20,804	(11,084)	(10,599)	184,034	157,574
Cost of goods sold	(134,331)	(116,427)	(21,814)	(18,683)	10,860	10,571	(145,285)	(124,539)
GROSS MARGIN	36,003	30,942	2,970	2,121	(224)	(28)	38,749	33,035
Research and Development costs	(9,578)	(7,970)	(2,356)	(2,520)	-	-	(11,934)	(10,490)
Sales and marketing expenses	(11,945)	(10,802)	(598)	(649)	4	-	(12,539)	(11,451)
General and administrative expenses	(10,978)	(10,619)	(1,220)	(1,370)	45	(18)	(12,153)	(12,007)
OPERATING PROFIT (EBIT)	3,502	1,551	(1,204)	(2,418)	(175)	(46)	2,123	(913)
Net financial expenses	(2,458)	(2,299)	(125)	(50)	-	1	(2,583)	(2,348)
Net exchange differences	580	(423)	11	24	-	-	591	(399)
Net result of investments accounted for using the equity method	(60)	(50)	-	-	-	-	(60)	(50)
Net result of other investments	-	2,154	-	(49)	-	(2,100)	-	5
RESULT BEFORE TAXES (EBT)	1,564	933	(1,318)	(2,493)	(175)	(2,145)	71	(3,705)
Taxes	(1,101)	(366)	434	911	53	12	(614)	557
NET RESULT	463	567	(884)	(1,582)	(122)	(2,133)	(543)	(3,148)
- Attributable to Group shareholders	377	888	(884)	(1,582)	(122)	(2,133)	(629)	(2,827)
- Attributable to minority shareholders	86	(321)	-	-	-	-	86	(321)

	PRIMA POWER		PRIMA ELECTRO		ELIMINATION		PRIMA INDUSTRIE GROUP	
<i>Values in euro thousand</i>	Jun 30, 2021	Dec 31, 2020	Jun 30, 2021	Dec 31, 2020	Jun 30, 2021	Dec 31, 2020	Jun 30, 2021	Dec 31, 2020
Property, plant and equipment	51,018	52,075	13,106	12,206	-	-	64,124	64,281
Intangible assets	112,651	115,453	6,021	5,596	(212)	(212)	118,460	120,837
Investments accounted for using the equity method	334	394	-	-	-	-	334	394
Other investments	17,448	17,171	-	-	(10,945)	(10,945)	6,503	6,226
Non current financial assets	2,728	2,728	1,505	1,505	-	-	4,233	4,233
Deferred tax assets	13,532	12,256	4,474	5,083	371	317	18,377	17,656
NON CURRENT ASSETS	197,711	200,077	25,106	24,390	(10,786)	(10,840)	212,031	213,627
Inventories	113,980	97,557	23,525	22,247	(1,292)	(1,115)	136,213	118,689
Trade receivables	78,143	72,565	13,539	11,493	(8,582)	(6,434)	83,100	77,624
Other receivables	7,633	7,145	1,206	1,584	4	3	8,843	8,732
Current tax receivables	2,217	2,484	4,505	3,545	(1,017)	(1,016)	5,705	5,013
Derivatives	70	365	-	-	-	-	70	365
Financial assets	9,686	8,427	66	43	(9,415)	(8,412)	337	58
Cash and cash equivalents	55,077	61,894	2,946	1,105	-	-	58,023	62,999
CURRENT ASSETS	266,806	250,437	45,787	40,017	(20,302)	(16,974)	292,291	273,480
Assets held for sale	1,041	1,255	4,000	4,000	-	-	5,041	5,255
TOTAL ASSETS	465,558	451,769	74,893	68,407	(31,088)	(27,814)	509,363	492,362
STOCKHOLDERS' EQUITY	150,765	148,996	26,924	27,579	(14,235)	(14,111)	163,454	162,464
Interest-bearing loans and borrowings	81,176	95,133	17,786	15,454	(4,150)	(5,269)	94,812	105,318
Employee benefit liabilities	5,488	5,420	1,607	1,684	-	-	7,095	7,104
Deferred tax liabilities	3,614	3,865	869	894	1	-	4,484	4,759
Provisions	235	238	-	-	-	-	235	238
Derivatives	245	419	-	-	-	-	245	419
NON CURRENT LIABILITIES	90,758	105,075	20,262	18,032	(4,149)	(5,269)	106,871	117,838
Trade payables	84,625	63,889	15,132	11,925	(8,568)	(6,424)	91,189	69,390
Advance payments	44,851	39,557	93	150	312	312	45,256	40,019
Other payables	19,655	16,668	2,713	2,576	(5)	-	22,363	19,244
Interest-bearing loans and borrowings	46,208	52,152	8,763	7,083	(3,165)	(1,043)	51,806	58,192
Current tax payables	8,591	6,517	126	211	(1,023)	(1,024)	7,694	5,704
Provisions	20,092	18,915	880	851	(255)	(255)	20,717	19,511
Derivatives	13	-	-	-	-	-	13	-
CURRENT LIABILITIES	224,035	197,698	27,707	22,796	(12,704)	(8,434)	239,038	212,060
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	465,558	451,769	74,893	68,407	(31,088)	(27,814)	509,363	492,362

CONSOLIDATED FINANCIAL POSITION

1. Property, plant and equipment

Property, plant and equipment as at June 30, 2021 were equal to Euro 64,124 thousand, a decrease of Euro 157 thousand compared with December 31, 2020.

For more details, refer to the table below.

PROPERTY, PLANT AND EQUIPMENT	Land and Building	Plants and Machinery	Industrial and Commercial equipment	Other tangible fixed assets	Fixed assets under construction	TOTAL
Net value as at December 31, 2019	48,199	6,693	4,204	9,283	801	69,180
Movements 2020						
Increases	4,962	720	842	3,215	1,162	10,901
Disinvestments	(219)	(30)	(60)	(541)	-	(850)
Utilization of accumulated depreciation	196	36	66	505	-	803
Leasing contracts Advance Closing	(2,106)	-	-	-	-	(2,106)
Depreciation	(4,341)	(1,365)	(1,647)	(3,915)	-	(11,268)
Reclassifications with tangible fixed assets	3	-	147	-	(150)	-
Reclassifications with intangible fixed assets	-	-	-	9	-	9
Reclassifications to Assets held for sale	(1,041)	-	-	-	-	(1,041)
Differences on exchange rates	(964)	(38)	(155)	(156)	(34)	(1,347)
Net value as at December 31, 2020	44,689	6,016	3,397	8,400	1,779	64,281
Movements in the first six month of 2021						
Increases	1,340	368	696	1,910	596	4,910
Disinvestments	-	(181)	(32)	(341)	-	(554)
Utilization of accumulated depreciation	-	185	28	324	-	537
Depreciation	(2,172)	(695)	(774)	(1,899)	-	(5,540)
Reclassifications with tangible fixed assets	-	46	124	-	(170)	-
Differences on exchange rates	363	23	48	41	15	490
Net value as at June 30, 2021	44,220	5,762	3,487	8,435	2,220	64,124
Of which Rights of use derived from the first application of IFRS16						
Net value as at December 31, 2020	23,130	494	63	4,556	-	28,243
Increases	1,154	42	-	1,522	-	2,718
Disinvestments	-	-	-	(16)	-	(16)
Depreciation	(1,626)	(98)	(33)	(1,414)	-	(3,171)
Differences on exchange rates	242	-	-	24	-	266
Total Rights of use	22,900	438	30	4,672	-	28,040

2. Intangible assets

Intangible assets as at June 30, 2021 were equal to Euro 118,460 thousand and decreased by Euro 2,377 thousand compared with December 31, 2020.

For more details, refer to the table below.

INTANGIBLE ASSETS	Goodwill	Development costs	Other intangible assets	TOTAL
Net value as at December 31, 2019	97,894	28,512	8,299	134,705
Movements 2020				
Increases/(decreases)	-	5,729	278	6,007
Depreciation	-	(7,951)	(2,737)	(10,688)
Impairment	-	(10,486)	-	(10,486)
Reclassifications with tangible fixed assets	-	1,738	-	1,738
Reclassifications with others items	-	-	(9)	(9)
Differences on exchange rates	(143)	(257)	(30)	(430)
Net value as at December 31, 2020	97,751	17,285	5,801	120,837
Movements in the first six month of 2021				
Increases/(decreases)	-	1,302	327	1,629
Depreciation	-	(2,811)	(1,310)	(4,121)
Impairment	-	-	(61)	(61)
Reclassifications with others items	-	27	-	27
Differences on exchange rates	51	75	23	149
Net value as at June 30, 2021	97,802	15,878	4,780	118,460

The most significant item is represented by Goodwill, which on June 30, 2021 amounted to Euro 97,802 thousand.

All goodwill recorded in the financial statements relates to the higher value paid compared to the fair value of the net assets acquired, at the date of acquisition.

The table below shows the book value of the goodwill allocated to each of the Cash Generating Units (CGU).

CASH GENERATING UNIT	BOOK VALUE GOODWILL June 30, 2021	BOOK VALUE GOODWILL December 31, 2020
PRIMA POWER	97,649	97,598
PRIMA ELECTRO - BU Electronics	153	153
TOTAL	97,802	97,751

Goodwill (being an asset with an undefined life) is not amortised and is tested at least for impairment. As at December 31, 2020, the Group carried out impairment testing on the value of the main goodwill for which reference should be made to the Consolidated Financial Statements as at December 31, 2020. With regard to the above-mentioned goodwill, since no impairment indicators emerged compared to the financial statements as at December 31, 2020, it was not deemed necessary to update the related impairment tests.

If specific events or circumstances (trigger events) occur that would suggest that goodwill may be impaired, an impairment test is also performed when interim financial statements are prepared.

3. Investments measured using the equity method

The value of investments measured using the equity method refers to the shareholding in the company 3D NT held by PRIMA INDUSTRIE SpA (19.9%) and amounts to Euro 334 thousand. The negative change of Euro 60 thousand compared to the previous year refers to the share of the result for the period.

4. Other Investments

The value of Other Investments as at June 30, 2021 amounted to Euro 6,503 thousand with an increase of Euro 277 thousand compared to December 31, 2020; this increase refers to the positive exchange rate differences of the investment in Lead Laser (held by PRIMA POWER SUZHOU).

Consequently this heading on June 30, 2021 is composed of:

- Lead Laser: Euro 6,363 thousand (investment equal to 19% held by PRIMA POWER SUZHOU);
- Fimecc OY: Euro 50 thousand (investment equal to 2.4% held by FINN-POWER OY);
- Prima Power Sheet Metal Solution: Euro 41 thousand (investment equal to 19% held by PRIMA INDUSTRIE SpA);
- Lamiera Servizi Srl: Euro 11 thousand (investment equal to 19% held by PRIMA INDUSTRIE SpA);
- Other minor investments: Euro 38 thousand.

5. Non-current financial assets

Non-current financial assets as at June 30, 2021 amounted to Euro 4,233 thousand and related to an escrow deposit as a guarantee for a loan granted by Cassa Depositi e Prestiti and Mediocredito Italiano (known as a "Smilla Loan").

6. Deferred tax assets

Deferred tax assets amount to Euro 18,377 thousand, showing an increase compared with the previous financial year of Euro 721 thousand.

Deferred taxes are recorded in the financial statements only if the conditions for their recovery exist. The assessment of the recoverability of prepaid tax assets takes account of expected profitability in future years. Deferred taxes on tax losses carried forward were entered recognised in relation to the likelihood of future taxable income against which they can be recovered. Considering the above, there were no elements that might change the previous assessments on the recoverability of deferred taxes.

7. Inventories

The following table shows the composition of inventories as at June 30, 2021 and December 31, 2020.

INVENTORIES	June 30, 2021	December 31, 2020
Raw materials	48,929	41,056
Semi-finished goods	26,258	19,545
Finished goods	72,610	69,231
(Inventory provisions)	(11,584)	(11,143)
TOTAL	136,213	118,689

The net value of inventories as at June 30, 2021 shows an increase equal to Euro 17,524 thousand compared with December 31, 2020.

The inventory provisions during the first half of 2021 were subject to the following changes.

INVENTORY PROVISIONS	June 30, 2021
Value as at December 31, 2020	(11,143)
Provisions	(1,562)
Utilizations	1,259
Differences on exchange rates	(138)
Value as at June 30, 2021	(11,584)

Appropriations during the period mainly occurred after the sale of assets for which provisions had previously been set aside or because estimated expected losses were updated.

8. Trade receivables

Net trade receivables as at June 30, 2021 amounted to Euro 83,100 thousand, an increase of Euro 5,476 thousand compared to December 31, 2020.

TRADE RECEIVABLES	June 30, 2021	December 31, 2020
Receivables from customers	87,156	82,389
Bad Debt Reserve	(4,056)	(4,765)
TOTAL	83,100	77,624

The Bad Deb Reserve during the first half of 2021 was subject to the following changes.

BAD DEBT RESERVE	
Value as at December 31, 2020	(4,765)
Provisions	(838)
Utilizations	1,339
Reclassification	236
Differences on exchange rates	(28)
Value as at June 30, 2021	(4,056)

In accordance with IFRS 9, the Group measures trade receivables using an expected credit loss approach; the Group has adopted the simplified approach so the provision for bad debts reflects expected losses over the life of the loan; in determining the provision, the Group relied on historical experience, external indicators and forward-looking information.

Specific measurements were made on individual credit positions in certain categories of loans subject to particular elements of risk.

9. Other receivables

Other current receivables as at June 30, 2021 were Euro 8,843 thousand and increased from December 31, 2020 by Euro 111 thousand.

These receivables mainly refer to advance payments to suppliers, R&D grants due for receipt, accrued income and prepaid expenses and advances to employees.

10. Other tax assets

Other tax assets amounted to Euro 5,705 thousand, an increase of Euro 692 thousand compared to December 31, 2020. Tax assets are represented by direct deferred tax assets of Euro 3,448 thousand (Euro 2,178 thousand at December 31, 2020), VAT credits of Euro 1,686 thousand (Euro 2,003 thousand as at December 31, 2020), R&D tax credits of Euro 455 thousand (Euro 683 thousand as at December 31, 2020), receivables for withholding taxes of Euro 61 thousand (Euro 51 thousand as at December 31, 2020) and other receivables for minor tax assets of Euro 55 thousand (Euro 98 thousand as at December 31, 2020).

11. Financial indebtedness

As at June 30, 2021, the Group's financial indebtedness⁽³⁾ was negative by Euro 88,446 thousand, down Euro 12,061 thousand from December 31, 2020 (negative by Euro 100,507 thousand).

For a better understanding of the variation in indebtedness during the first six months of 2021, reference is made to the consolidated cash flow statement of the period.

As required by ESMA Document 32-382-1138 of March 4, 2021 and as indicated in CONSOB note 5/21 of 29/04/2021, the table below shows financial indebtedness as at June 30, 2021 and December 31, 2020.

FINANCIAL INDEBTEDNESS		June 30, 2021	December 31, 2020	Variations
A	CASH	58,023	62,999	(4,976)
B	CASH EQUIVALENTS	-	-	-
C	OTHER CURRENT FINANCIAL ASSETS	407	423	(16)
D	LIQUIDITY (A+B+C)	58,430	63,422	(4,992)
E	CURRENT FINANCIAL DEBT	13,175	11,951	1,224
F	CURRENT PORTION OF NON-CURRENT FINANCIAL DEBT	38,644	46,241	(7,597)
G	CURRENT FINANCIAL INDEBTEDNESS (E+F)	51,819	58,192	(6,373)
H	NET CURRENT FINANCIAL INDEBTEDNESS (G-D)	(6,611)	(5,230)	(1,381)
I	NON-CURRENT FINANCIAL DEBT	70,185	80,887	(10,702)
J	DEBT INSTRUMENTS	24,872	24,850	22
K	NON-CURRENT TRADE AND OTHER PAYABLES	-	-	-
L	NON-CURRENT FINANCIAL INDEBTEDNESS (I+J+K)	95,057	105,737	(10,680)
M	TOTAL FINANCIAL INDEBTEDNESS (H+L)	88,446	100,507	(12,061)

Reconciliation with the Group's net indebtedness shown in the Management Report is as follows:

	Jun 30, 2021	Dec 31, 2020
Financial Indebtedness required by doc. ESMA 32-382-1138	88,446	100,507
Term deposit Smilla	(4,233)	(4,233)
Net financial debt	84,213	96,274

⁽³⁾ Reconciliation between Group financial indebtedness required by ESMA document 32-382-1138 of March 4, 2021 and net financial indebtedness (used as a performance indicator) is provided in a specific table in these Explanatory Notes.

Liquidity

Cash and cash equivalents amount to Euro 58,023 thousand and consist of:

- bank deposits for Euro 57,994 thousand and
- cash for Euro 29 thousand.

For more details on cash and cash equivalents, see the Consolidated Cash Flow Statement.

Other current financial assets

The current financial receivables amount to Euro 407 thousand and include:

- a deposit of Euro 331 thousand held by PRIMA POWER SUZHOU;
- receivables from the company Lamiera Servizi of Euro 6 thousand, a subsidiary of PRIMA INDUSTRIE SpA for 19%;
- financial instruments to hedge the exchange rate risk (Currency Rate Swaps) for Euro 70 thousand.

Bonds issued

Debt to bondholders amounted to Euro 25,292 thousand, including interest accrued but not yet paid for Euro 292 thousand. The net debt shown in the balance sheet amounted to Euro 25,120 thousand, as the accessory charges incurred at the time the bonds were issued were partially reduced.

Long term debt beyond 12 months amounts to Euro 24,872 thousand.

Financial debt

Below are the main loans included in the bank debt granted to PRIMA INDUSTRIE SpA.

The BNL loan as at June 30, 2021 amounted to Euro 11,009 thousand, including interest accrued but not yet paid of Euro 9 thousand. The net payable shown in the balance sheet is Euro 10,990 thousand and includes accessory charges incurred at the time the loan was issued.

The BNL loan is for Euro 2,996 thousand falling due after 12 months.

As at June 30, 2021, the MPS loan amounted to a total of Euro 5,800 thousand, the net debt in the financial statements totals Euro 5,791 thousand and includes matured interest and accessory charges incurred at the time the loan was issued.

The MPS loan is for Euro 4,396 thousand expiring beyond 12 months.

As at June 30, 2021, the BPM loan amounted to a total of Euro 11,333 thousand, the net debt in the financial statements totals Euro 11,304 thousand and includes matured interest and accessory charges incurred at the time the loan was issued.

The BPM loan is for Euro 6,990 thousand expiring beyond 12 months.

As at June 30, 2021, the UNICREDIT loan amounted to a total of Euro 8,333 thousand, the net debt in the financial statements totals Euro 8,317 thousand and includes matured interest and accessory charges incurred at the time the loan was issued.

The UNICREDIT loan is for Euro 2,775 thousand expiring beyond 12 months.

The INTESA loan as at June 30, 2021 amounted to Euro 8,354 thousand, including interest accrued but not yet paid of Euro 21 thousand. The net payable recognised in the balance sheet is Euro 8,340 thousand and includes accessory charges incurred at the time the loan was issued.

The INTESA loan is for Euro 4,995 thousand expiring beyond 12 months.

Covenants exist on the Intesa, Unicredit, BPM, MPS and BNL loans, with measurements on an annual and half-yearly basis; the covenants measured on the consolidated financial statements as at June 30, 2021 were met.

Non-current financial payables also include other bank loans for Euro 3,421 thousand entered into by PRIMA ELECTRO SpA and a derivative financial instrument (IRS - Interest Rate Swap) amounting to Euro 245 thousand.

Current financial indebtedness includes the short-term portion of the BNL loans for Euro 7,994 thousand, MPS loans for Euro 1,395 thousand, BPM loans for Euro 4,314 thousand, UNICREDIT loans for Euro 5,542 thousand and the INTESA loans for Euro 3,345 thousand, in addition to bank overdrafts for Euro 16,502 thousand, other bank loans for Euro 2,086 thousand, as well as financial instruments hedging currency risk (currency rate swaps), equal to Euro 13 thousand and the current portion of debt payable to bond holders for Euro 248 thousand.

Financial indebtedness also includes other financial payables totalling Euro 54,763 thousand (of which Euro 10,380 thousand current), that refer to:

- debts for financial leases amounting to Euro 35,310 thousand (of which current debts for Euro 5,843 thousand);
- the financial debt CDP for Euro 12,500 thousand (of which the current portion for Euro 3,125 thousand);
- other financial payables for Euro 6,576 thousand (of which current debts for Euro 1,309 thousand); these payables refer mainly to subsidised ministerial loans;
- government incentives granted to PRIMA POWER LASERDYNE for Euro 31 thousand and PRIMA POWER CENTRAL EUROPE for Euro 346 thousand to cope with the COVID-19 emergency.

Financial indicators (covenants)

The BNL, Intesa, Unicredit, BPM, MPS loan agreements and the Bond require compliance with certain economic and financial ratios (covenants) for their entire period of duration and with variable values in the different measurement periods.

The tables below show the covenants currently in place for June 30, 2021 and the following measurement periods.

BNL, INTESA, UNICREDIT, BPM, MPS

EBITDA/Consolidated Net Financial costs ratio not less than:	4.25 for the duration of the loan, to be calculated at June 30 and at December 31 of each year
Net Financial Indebtedness/Consolidated EBITDA ratio not more than (*):	3.00 for the duration of the loan, to be calculated at June 30 and at December 31 of each year
Net Financial Indebtedness/Consolidated Shareholders's Equity ratio not higher than (**):	1.50 for the duration of the loan, to be calculated at June 30 and at December 31 of each year

BOND

EBITDA/Consolidated Net Financial costs ratio not less than:	3.50 for the duration of the loan, to be calculated at June 30 and at December 31 of each year
Net Financial Indebtedness/Consolidated EBITDA ratio not more than:	4.00 for the duration of the loan, to be calculated at June 30 and at December 31 of each year
Net Financial Indebtedness/Consolidated Shareholders's Equity ratio not higher than:	1.50 for the duration of the loan, to be calculated at June 30 and at December 31 of each year

(*) for MPS's loan the parameter is < 3.50

(**) covenant applicable only to BPM and MPS loans (for MPS this parameter is <2.0)

The covenants measured on the consolidated financial statements as at June 30, 2021 are met.

It should be noted that, in relation to the loan taken out with CDP, PRIMA INDUSTRIE SpA undertakes for the entire duration of the loan to comply with the following financial covenants (to be calculated on the consolidated financial statements as at 31 December each year starting with the financial statements for the year ending December 31, 2021).

- EBITDA / Net Financial Charges $\geq 3.5x$
- NFP / EBITDA $\leq 3.0x$
- NFP / SE $\leq 1.5x$

Cash flow hedging instruments and accounting for related transactions

PRIMA INDUSTRIE Group uses financial instruments to hedge foreign exchange fluctuations, with reference to USD, RMB and GBP transactions.

IFRS 9 classifies, derivatives, which the Group uses only as hedging instruments and not for speculative investment, as assets/liabilities to be measured at fair value.

When defining risk management strategies and objectives, transactions require the following characteristics to qualify as a hedging relationship:

- the existence of an economic relationship between the hedged item and the hedging instrument such that the related changes in value would be offset, without this being affected by the counterparty credit risk;
- a hedging relationship that coincides with the entity's risk management objectives, which should be rebalanced where necessary. Any changes to the entity's risk management objectives, or any

lapse in the conditions for qualification as hedge transactions, or any rebalancing operations will lead to partial or total discontinuation of the hedge.

As at June 30, 2021 the Group held some derivative instruments for a total net negative amount of Euro 188 thousand, of which current assets of Euro 70 thousand, non-current liabilities of Euro 245 thousand and current liabilities of Euro 13 thousand.

IFRS 7 requires the classification of financial instruments at fair value to be determined on the basis of the quality of the input sources used in their valuation.

The IFRS 7 classification has the following hierarchy:

- Level 1: fair value determined according to unadjusted prices in active markets for identical assets or liabilities;
- Level 2: fair value determined according to inputs other than quoted market prices included within Level 1 but which are either directly or indirectly observable. This category includes the instruments the Group uses to hedge risks arising from interest rate and exchange rate fluctuations;
- Level 3: fair value determined according to valuation models whose inputs are not based on observable inputs ("unobservable inputs"). There are no financial instruments measured as such.

As required by the amendment to IAS 7, the following table shows the changes in liabilities arising from loan activities, whether arising from changes in cash flows or changes not in cash.

<i>Values in Euro thousand</i>	<i>Dec 31, 2020</i>	<i>Variations from cash</i>		<i>Variations not in cash</i>		<i>Fair value</i>	<i>Jun 30, 2021</i>
		<i>flow</i>	<i>Issues</i>	<i>Exchange rate effect</i>			
Financial debts	102,238	(16,053)	-	3	-	-	86,188
Bond issued	25,540	(420)	-	-	-	-	25,120
Leasing	35,732	(3,095)	2,553	120	-	-	35,310
Derivatives	419	-	-	-	(161)	(161)	258
TOTAL	163,929	(19,568)	2,553	123	(161)	(161)	146,876

12. Non-current assets held for sale

As at June 30, 2021, the value of non-current assets held for sale was Euro 5,041 thousand and referred to:

- an equity investment held by PRIMA ELECTRO SPA for Euro 4,000 thousand in the company OSAlcnc;
- a portion of the industrial plant located in Collegno in the province of Turin of the parent company PRIMA INDUSTRIE SpA for Euro 1,041 thousand.

The change of Euro 214 thousand compared to the previous year refers to the sale of the last real estate unit located in the Mantua area and owned by the parent company.

13. Net equity

Shareholders' equity attributable to the shareholders of the parent company increased by Euro 774 thousand compared to the previous year. This increase was due to the positive effects of the translation reserve (Euro 2,093 thousand) and the reserve for fair value adjustment of derivatives (Euro 129 thousand), which were offset by the negative effects of the purchase of treasury shares for Euro 819 thousand and the result for the period of Euro 629 thousand. Shareholders' equity attributable to

minority interests increased by Euro 216 thousand due to the overall result for the period attributable to minority shareholders.

14. Employee benefits

The item Employees benefits liabilities is equal to Euro 7,095 thousand as at June 30, 2021, a decrease compared with December 31, 2020 of Euro 9 thousand; this item includes:

- the Severance Indemnity (TFR) recognised by Italian companies for employees;
- a loyalty premium recognised by the parent company and by PRIMA ELECTRO SpA for their own employees;
- a pension fund recognised by PRIMA POWER GmbH and by PRIMA POWER France Sarl to their employees;
- a liability for employee benefits accounted for by PRIMA INDUSTRIE SpA relevant the South Korea branch office.

The table below compares the items in question.

EMPLOYEE BENEFITS	June 30, 2021	December 31, 2020
Severance indemnity fund	4,154	4,283
Fidelity premium and other pension funds	2,941	2,821
TOTAL	7,095	7,104

15. Deferred tax liabilities

Deferred Tax Liabilities are equal to Euro 4,484 thousand, a decrease of Euro 275 thousand compared with December 31, 2020.

16. Provisions for risks and charges

Provisions for risks and charges are equal to Euro 20,952 thousand, an increase compared to December 31, 2020 of Euro 1,203 thousand; the non-current portion refers exclusively to the agent client indemnity provision and amounts in total to Euro 235 thousand.

A summary of the short-term portion is presented below.

CURRENT PROVISIONS	Warranty provisions and Completion		TOTAL
	project	Others provisions	
Value as at December 31, 2019	20,056	588	20,644
Allocations	20,134	178	20,312
Utilizations in the period	(20,549)	(205)	(20,754)
Exchange rate differences	(657)	(34)	(691)
Value as at December 31, 2020	18,984	527	19,511
Allocations	11,242	294	11,536
Utilizations in the period	(10,248)	(334)	(10,582)
Exchange rate differences	256	(4)	252
Value as at June 30, 2021	20,234	483	20,717

Current provisions mainly relate to product warranties (equal to Euro 12,514 thousand) and to the best estimate of costs still to be incurred for the completion of certain activities ancillary to the sale of machinery already sold (equal to Euro 7,720 thousand). The warranty provision relates to the provisions for technical interventions on the Group's products and is considered appropriate in comparison to the warranty costs which have to be provided for.

The other provisions amounting to Euro 483 thousand refer to legal, fiscal procedures and other disputes; these provisions represent the best estimate by management of the liabilities which must be accounted for with regard to legal, fiscal proceedings occasioned during normal operational activity with regard to dealers, clients, suppliers or public authorities.

17. Trade payables, advance payments and other payables

The value of trade payables increased by Euro 21,799 thousand compared to December 31, 2020.

The item Advance payments increased compared to December 31, 2020 and is equal to Euro 45,256 thousand.

Other payables increased compared to December 31, 2020 by Euro 3,119 thousand and include social security and welfare payables, payables due to employees, accruals and deferrals and other minor payables.

18. Tax payables for current taxes

Tax payables for current taxes as at June 30, 2021 amounted to Euro 7,694 thousand, an increase of Euro 1,990 thousand compared to December 31, 2020.

CONSOLIDATED INCOME STATEMENT

As already mentioned previously, the Group presents the income statement by “functional area”. In accordance with paragraph 104 of “IAS 1 - Presentation of Financial Statements”, it is noted that personnel costs as at June 30, 2021 amounted to Euro 55,577 thousand, an increase compared to the previous year of Euro 7,899 thousand (Euro 47,678 thousand as at June 30, 2020).

Amortisation, depreciation and write-downs as at June 30, 2021 amounted to Euro 9,722 thousand (Euro 10,977 thousand as at June 30, 2020).

19. Net revenues from sales and services

Revenues from sales and services have been commented on Chapter 5 of this document "Group Interim Management Report" in the paragraph “Economic performance”.

20. Cost of goods sold

The cost of goods sold includes costs relating to the functional areas involved directly or indirectly in the generation of revenues with the sale of goods or services. Therefore, this item includes the cost of producing or purchasing the products and goods that have been sold; therefore this item includes the production or purchase cost of products and goods sold. Furthermore, it contains write-downs on inventories, provisions to cover warranty costs on sold goods, transport and insurance costs incurred for deliveries to customers and sales commissions to agents or third-party distributors. The cost of goods sold at June 30, 2021 amounted to Euro 145,285 thousand and increased by Euro 20,746 compared to June 30, 2020; the main components are materials (Euro 98,637 thousand), processing and external services (Euro 8,140 thousand).

21. Research and development costs

This item includes non-capitalizable research and development costs, Tech Centre costs and the associated overheads and is disclosed net of grants (both national and European) entered on an accrual

basis. Net research and development costs as at June 30, 2021 amounted to Euro 11,934 thousand and increased by Euro 1,444 thousand compared to the previous year; the impact of public grants is Euro 1,583 thousand.

22. Sales and marketing expenses

This item includes, for allocation, business structure costs such as personnel, trade fairs and events, the demo center, promotional and advertising activities and related overheads.

Sales and marketing expenses as at June 30, 2021 amounted to Euro 12,539 thousand, compared to Euro 11,451 thousand as at June 30, 2020.

23. General and administrative expenses

This item includes all costs related to Group or Divisional management structures, Finance costs, HR, IT and overheads. General and administration costs came to Euro 12,153 thousand as at June 30, 2021, up from Euro 12,007 thousand as at June 30, 2020.

24. Financial Income and expenses

Financial income and expenses in the first six months 2021 were negative by Euro 1,992 thousand.

FINANCIAL RESULTS	June 30, 2021	June 30, 2020
Financial income	4,420	2,073
Financial expenses	(7,003)	(4,421)
Net financial expenses	(2,583)	(2,348)
Net exchange differences	591	(399)
Total Financial Results	(1,992)	(2,747)

25. Net result from investments measured using the equity method

The net result of investments accounted for using the equity method presented a loss of Euro 60 thousand and refers to the share of the result for the period of the associate 3D NT.

26. Current and deferred taxes

Income taxes for the first six months of 2021 showed a net negative balance of Euro 614 thousand. The balance of current and deferred taxation amounted to Euro 524 thousand and other taxes, including those related to previous years, amounted to Euro 90 thousand.

27. Basic earnings per share

The calculation of the basic earnings per share as at June 30, 2021, negative by Euro 0.06 (negative by Euro 0.30 as at June 30, 2020) is calculated by dividing the profits attributable to the shareholders of the parent company by the weighted average number of ordinary shares in circulation.

Diluted earnings per share are equal to basic earnings per share as there are no dilutive transactions outstanding as at June 30, 2021.

INFORMATION ON RELATED PARTIES

Below is information on related parties with regard to administrative, control and strategic management bodies of the companies LEEPORT, 3D-NT and RODSTEIN.

The LEEPORT Group sells industrial machinery worldwide and is considered a related party as chairman and CEO Lee Joseph acquired more than 10% of shares in PRIMA INDUSTRIE SpA.

The companies 3D-NT and RODSTEIN are considered related parties since several people with managerial or partner roles in PRIMA INDUSTRIE SpA are involved in said companies.

The company 3D-NT is a start-up in the field of additive manufacturing, specifically in metal powder bed technology; PRIMA INDUSTRIE SpA holds a stake of 19.9%.

The company RODSTEIN is a Finnish company that develops and manufactures machine tools.

OPERATIONS WITH RELATED PARTIES	Administrative, control boards and strategic management	LEEPORT	3D-NT	RODSTEIN	TOTAL
RECEIVABLES AS AT Jan 01, 2021	-	2,103	17	-	2,120
RECEIVABLES AS AT Jun 30, 2021	-	2,250	14	-	2,264
PAYABLES AS AT Jan 01, 2021	486	89	648	-	1,223
PAYABLES AS AT Jun 30, 2021	252	639	204	31	1,126
REVENUES Jan 01, 2021 - Jun 30, 2021	-	3,002	37	-	3,039
COSTS Jan 01, 2021 - Jun 30, 2021	677	654	159	27	1,517
VARIATIONS IN RECEIVABLES					
Jan 01, 2021 - Jun 30, 2021	-	147	(3)	-	144
VARIATIONS IN PAYABLES					
Jan 01, 2021 - Jun 30, 2021	(234)	550	(444)	31	(97)

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

The table below summarises non-recurring items that have had a negative impact on the Income Statement during the first half of 2021 for a total of Euro 2,160 thousand.

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS (values expressed in Euro thousand)	Gross Margin	Research and Development costs	Sales and marketing expenses	General and administrative expenses	Total as at Jun 30, 2021	Total as at Jun 30, 2020	Variation between 2021 and 2020
COVID-19	(342)	-	(1)	(2)	(345)	(353)	8
COVID-19 - Government subsidy	20	-	2	57	79	-	79
Reorganization/Restructuring	(387)	(80)	(45)	(402)	(914)	(595)	(319)
Disputes tax/legal and customer penalties	(577)	-	-	(342)	(919)	(1,183)	264
Impairment of intangible fixed assets	-	-	-	(61)	(61)	-	(61)
EBIT	(1,286)	(80)	(44)	(750)	(2,160)	(2,131)	(29)
Write-down Caretek investment	-	-	-	-	-	(49)	49
Härmämedi OY gain	-	-	-	-	-	54	(54)
EBT	(1,286)	(80)	(44)	(750)	(2,160)	(2,126)	(34)

SUBSEQUENT EVENTS

No events occurred after the reporting date of the Half-Year Financial Report which, if not previously known, would have led to an adjustment of the recognised values.

Signature of the authorized governing body



Annexes.

ANNEXES

ANNEX 1 - CONSOLIDATION AREA

PRIMA POWER	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP	CONSOLIDATION METHOD
FINN POWER OY	Nuppiväylä 7, 60100 Seinäjoki, FINLAND	€ 30.000.000	100%	Line-by-line method
PRIMA POWER LASERDYNE LLC	7105, Northland Terrace North, Brooklyn Park, MN 55428, U.S.A.	USD 200.000	100%	Line-by-line method
PRIMA POWER SUZHOU Co. LTD.	459 Xingrui Road, Wujiang Ec. & Tech. Develop. Zone, Suzhou City Jiangsu Prov. CHINA	USD 15.850.000	70%	Line-by-line method
PRIMA INDUSTRIE NORTH AMERICA Inc. - PRIMA POWER NA	555W Algonquin Rd., Arlington Heights, IL 60005, U.S.A.	USD 10.000	100%	Line-by-line method
PRIMA POWER CANADA Ltd.	1500 Upper Middle Rd W Suite 313, Oakville Ontario , L6M 0C2, Canada	CAD 200	100%	Line-by-line method
PRIMA POWER MEXICO S DE RL DE CV	Campo Real, 121 FRACC. Valle Real, Saltillo, Coahuila C.P. 25198 MEXICO	USD 250	100%	Line-by-line method
PRIMA POWER GmbH	Am Gfild 9, 85375 Neufahrn, GERMANY	€ 500.000	100%	Line-by-line method
PRIMA POWER IBERICA S.L.	C/Primero de Mayo 13-15, 08908 L'Hospitalet de Llobregat, Barcelona, SPAIN	€ 6.440.000	100%	Line-by-line method
PRIMA POWER CENTRAL EUROPE Sp.z.o.o.	Ul. Holenderska 6 - 05 - 152 Czosnów Warsaw, POLAND	PLN 350.000	100%	Line-by-line method
OOO PRIMA POWER	Ordzhonikidze str., 11/A - 115419, Moscow - RUSSIAN FEDERATION	RUB 4.800.000	100%	Line-by-line method
PRIMA POWER FRANCE Sarl	Espace Green Parc , Route de Villepècle, 91280 St. Pierre du Perray, FRANCE	€ 960.015	100%	Line-by-line method
PRIMA POWER MAKINA TICARET LIMITED SIRKETI	Soğanlık Yeni Mah. Balıkesir Cad. Uprise Elite Teras Evler B2 A Dupleks Gül Blok Daire:4 Kartal - Istanbul, TURKEY	TRY 1.470.000	100%	Line-by-line method
PRIMA POWER UK LTD	Unit 1, Phoenix Park, Bayton Road, Coventry CV7 9QN, UNITED KINGDOM	GBP 1	100%	Line-by-line method
PRIMA POWER INDIA PVT. LTD.	Plot No A-54/55, H Block, MIDC, Pimpri, Pune - 411018, Maharashtra, INDIA	Rs. 7.000.000	99,99%	Line-by-line method
PRIMA POWER SOUTH AMERICA Ltda	Av Fuad Lutfalla, 1,182 - Freguesia do Ó - 02968-00, Sao Paulo BRAZIL	R\$ 7.698.699	99,99%	Line-by-line method
PRIMA POWER AUSTRALASIA Pty. LTD.	Suite 2, First Floor, 100 Queen street, PO Box 878, Campbelltown, NSW, 2560 AUSTRALIA	A\$ 1	100%	Line-by-line method

PRIMA ELECTRO	REGISTERED OFFICE	SHARE CAPITAL	OWNERSHIP	CONSOLIDATION METHOD
PRIMA ELECTRO S.p.A.	Strada Carignano 48/2, 10024 Moncalieri, (TO) ITALY	€ 15.000.000	100%	Line-by-line method
PRIMA INDUSTRIE NORTH AMERICA Inc. - CONVERGENT PHOTON	711 East Main Street, Chicopee, MA 01020, U.S.A.	USD 24.119.985	100%	Line-by-line method
PRIMA ELECTRO SUZHOU Co.Ltd.	459 Xingrui Road, Wujiang Ec. & Tech. Develop. Zone, Suzhou City Jiangsu Prov. CHINA	€ 500.000	100%	Line-by-line method

ANNEX 2 - “NON-GAAP” PERFORMANCE INDICATORS

The Management of PRIMA INDUSTRIE SpA assesses the performance of the Group and its business segments using a number of non-IFRS indices. Below are described the components of each of these indices:

ORDERS: includes agreements entered into with customers during the reference period than can be considered part of the order books.

BACKLOG: this is the sum of orders from the previous period and current confirmed orders, net of revenues in the reference period.

EBIT: Operating Profit.

EBITDA: the Operating Profit, as shown in the income statement, gross of “Amortization”, “Write-downs and Impairment”. This ratio is also referred to as the “Gross Operating Margin”.

Adjusted EBITDA, EBIT and EBT correspond to the same alternative performance indicators net of non-recurring items.

EBITDA Margin: calculated as the ratio between EBITDA and revenues.

FCF (Free Cash Flow): is the cash flow from operations that is available after the company has made the necessary reinvestment in new fixed assets; it is the sum of cash flow from operations and the cash flow from investments.

Workforce: is the number of employees on the books on the last day of the reference period.

Net financial indebtedness: includes cash and cash equivalents, financial receivables (current and non-current), net of financial payables (current and non-current) and the fair value of derivatives. The reconciliation with financial indebtedness required by ESMA document 32-382-1138 of March 4, 2021 is provided in the Notes to the Consolidated Financial Statements.

Revenues at constant exchange rates are stated by applying the average exchange rates of the previous year to the revenues of the current year in the local currency.

ANNEX 3 - CURRENCY EXCHANGE RATE

The exchange rates applied in converting the financial statements to a currency other than the Euro are, for the purpose of consolidation, the following:

CURRENCY	AVERAGE EXCHANGE RATE		SPOT EXCHANGE RATE	
	June 30, 2021	June 30, 2020	June 30, 2021	December 31, 2020
US DOLLAR	1.2057	1.1015	1.1884	1.2271
CHINESE RENMINBI	7.7980	7.7481	7.6742	8.0225
RUSSIAN RUBLE	89.6054	76.6825	86.7725	91.4671
TURKISH LIRA	9.5126	7.1521	10.3210	9.1131
POLISH ZLOTY	4.5366	4.4136	4.5201	4.5597
POUND STERLING	0.8684	0.8743	0.8581	0.8990
BRAZILIAN REAL	6.4917	5.4169	5.9050	6.3735
INDIAN RUPEE	88.4487	81.6766	88.3240	89.6605
AUSTRALIAN DOLLAR	1.5629	1.6775	1.5853	1.5896
CANADIAN DOLLAR	1.5040	1.5031	1.4722	1.5633
MEXICAN PESO	24.3207	23.8571	23.5784	24.4160

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AS AT JUNE 30, 2021 DECLARATION

PURSUANT TO ARTICLE 81-ter OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND INTEGRATIONS

1. The undersigned, Gianfranco Carbonato (Executive Chairman) and Marco Pintauro (Manager responsible for drafting company accounting documents), of PRIMA INDUSTRIE SpA, certify that, having taken account of the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative No. 58 of February 24, 1998:

- the company's business is compliant with the given requirements and
- the administrative and accounting procedures have been effectively applied in drafting the consolidated half-year financial statements, during the period from January 1, 2021 to June 30, 2021;

2. No significant facts have emerged in this regard;

3. We also certify that:

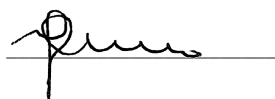
3.1 the consolidated half-year financial statements:

- a) are drafted in conformity with the applicable international accounting standards commonly used in the European Community, pursuant to (CE) Regulation No. 1606/2002 of the European Parliament and Council of July 19, 2002;
- b) correspond to accounting records;
- c) are suitable to provide a truthful and faithful representation of the capital, economic and financial position of the Corporation and of the group of companies included in the consolidation.

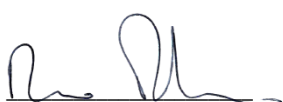
3.2 The interim report of the Board of Directors includes a reliable analysis of significant events that occurred in the first six months of the year and their impact on the consolidated half-year financial statements, together with a description of the chief risks and uncertainties for the remaining six months of the year. The interim report of the Board of Directors also includes a reliable analysis of information on significant transactions with related parties.

Date: July 29, 2021

Signature of the Executive Chairman



Signature of the Manager responsible for drafting company accounting documents





PRIMA INDUSTRIE GROUP

**REVIEW REPORT ON CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS**



REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Prima Industrie SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Prima Industrie SpA and its subsidiaries (the “Prima Industrie Group”) as of 30 June 2021, comprising the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in shareholders’ equity, the cash flow statement and the related explanatory notes. The directors of Prima Industrie SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of the Prima Industrie Group as of 30 June 2021 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Turin, 4 August 2021

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

PricewaterhouseCoopers SpA

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